

Gouriche c. The King, 2026 CCI 70 (CanLII)

Source : Tax Court of Canada  
Date : 2026-04-28  
Case number: 2022-979(IT)G  
Reference : Gouriche v. The King, 2026 ICC 70 (CanLII), <  
<https://canlii.ca/t/kkn3p> >, accessed 2026-05-08

Case :2022-979(IT)G

BETWEEN :

BOUCHAIB GOURICHE,

appellant,

And

HIS MAJESTY THE KING,

respondent.

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Appeals heard on March 16, 17, 18 and 19, 2026, in Montreal, Quebec

In front :The Honourable Judge Dominique Lafleur

Appearances :

For the caller: The appellant himself

Respondent's lawyer: Christophe  
Mr. Tassé-Breault

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**JUDGEMENT**

The appeals against the reassessments established under the *Income Tax Act* (the “Act” ) for the 2013 and 2014 taxation years are allowed, and the reassessments are referred to the Minister of National Revenue (the “Minister” ) for further review and reassessment to take into account the following:

- (i) The Minister has discharged his burden of establishing reassessments outside the normal reassessment period under [subparagraph 152\(4\) \(a\)\(i\)](#) of the *Act* ;
- (ii) For the 2013 taxation year, the unreported taxable income is established at \$42,737.99 and not \$84,685.35 (reduction of \$41,947.36);
- (iv) For the 2014 taxation year, the unreported taxable income is established at \$124,387.54 and not \$163,717.03 (a reduction of \$39,329.49); and
- (v) The penalties imposed under [subsection 163\(2\)](#) of the *Act* are maintained but must be reduced to take account of the adjustments made by the Court to the unreported taxable income.

The appeal of the reassessment made under the *Act* for the 2015 taxation year is allowed, and the reassessment is cancelled since the Minister has not discharged his burden of reassessing outside the normal reassessment period under [subparagraph 152\(4\) \(a\)\(i\)](#) of the *Act*.

No costs are awarded.

Signed thisDay 28d'april2026.

“Dominique Lafleur”

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Judge Lafleur

Reference :2026 CCI 70

Date :20260428

File: 2022-979(IT)G

BETWEEN :

BOUCHAIB GOURICHE,

appellant,

And

HIS MAJESTY THE KING,

respondent.

## REASONS FOR THE JUDGMENT

Judge Lafleur

### I. CONTEXT

[ 1 ] Mr. Gouriche appeals to the Court against reassessments made by the Minister of National Revenue (the “Minister” ) under the *Income Tax Act* (R.S.C. 1985, c. 1 Supp (5th .)) (the “Act” ) using the net worth method for the 2013, 2014 and 2015 taxation years.

[ 2 ] According to these new assessments, amounts totaling \$84,685.35, \$163,717.03 and \$49,542.14 were added to Mr. Gouriche's income as additional taxable income under [subsection 9\(1\)](#) of the [Act](#) , for the 2013, 2014 and 2015 taxation years respectively.

[ 3 ] These reassessments were established after the expiry of the normal reassessment period under [subparagraph 152\(4\)](#) (a)(i) of the [Act](#) . In addition, the Minister imposed penalties on Mr. Gouriche under [subsection 163\(2\)](#) of the Act for all the relevant taxation years.

[ 4 ] At the hearing, Mr. Gouriche represented himself. The respondent presented his evidence first and called 2 witnesses, namely Mr. Nicolas Raymond, the auditor at the Canada Revenue Agency (the “CRA” ) who carried out the audit and Mr. Ferhat Benyahia, the objection officer at the CRA who dealt with the objections filed by Mr. Gouriche against the disputed new assessments.

[ 5 ] Mr. Gouriche testified, and called 4 additional witnesses, namely Mr. Hafid El Kadaoui, Mr. <sup>Badr</sup> Fadhil, Mr. Hamid Eddahir and Mr. Othmane Taya.

[ 6 ] The parties filed a Joint Statement of Facts (Partial) (Exhibit AI-1) (attached as Schedule A to these reasons). According to this document, the parties set out, among other things, the issues in dispute regarding the method of calculating net worth, as well as the penalties under subsection 163(2) of the Act and the reassessment outside the normal reassessment period under [subparagraph 152\(4\)](#)( a)(i) of the [Act](#) , namely:

(i) Mr. Gouriche's residence located at 610 Verdure Street (the "Residence" ) (at a cost of \$228,000 for all years, including the reference year 2012 in the calculation of the asset);

(ii) The unrecorded shareholder advances of 9263-2702 Québec inc. ( “9263” ) totaling \$7,000 in 2014 and \$7,000 in 2015 (calculation of

assets);

(iii) The common shares of 9285-9859 Québec inc. (also known as Technikad Analytique) in 2013 totaling \$15,000 (asset calculation);

(iv) The Laurentian Bank (BLC) Distinction Line of Credit (#608) totaling \$216,908.55 in 2014 (liability calculation);

(v) Unexplained withdrawals – advances from MG Global Investments Inc. ( “MG Global” ) totaling \$20,400 in 2013 and \$42,783.98 in 2015 (as additions to adjustments); and

(vi) Sums originating from Morocco refused by the Minister (as a deduction in the adjustments).

[ 7 ] During the hearing, the respondent conceded an amount of \$10,000 for the 2015 taxation year in respect of the shares of 9285-9859 Québec inc., thereby reducing the amount of additional unreported income to \$39,542.14 for the 2015 taxation year.

[ 8 ] Any legislative provision referred to in these reasons refers to the [Act](#) , unless otherwise indicated. Also, any reference to dollars in these reasons refers to the currency that is legal tender in Canada, unless otherwise indicated. In addition, any reference to the currency that is legal tender in Morocco, the Moroccan dirham, is referred to by the abbreviation DH.

## **II. ISSUES IN DISPUTE**

[ 9 ] The Court must determine the following questions:

(i) Was the addition to Mr. Gouriche's income of the amounts of \$84,685.35, \$163,717.03 and \$39,542.14 (as conceded by the Respondent) for the 2013, 2014, and 2015 taxation years respectively justified in view of the disputed elements set out in the Joint Statement of Facts (Partial)?

(ii) Was the Minister justified in issuing reassessments after the expiry of the normal reassessment period under subparagraph 152(4)(a)(i) for the 2013, 2014 and 2015 taxation years?

(iii) Was the Minister justified in imposing penalties under subsection 163(2) for the 2013, 2014 and 2015 taxation years?

### **III. PROVISION**

[ 10 ] The calls for reassessments for the 2013 and 2014 taxation years are admitted, and the reassessments are referred to the Minister for further review and reassessment to take into account the following:

- (i) The Minister has discharged his burden of establishing reassessments outside the normal reassessment period under subparagraph 152(4)(a)(i);
- (ii) For the 2013 taxation year, the unreported taxable income is established at \$42,737.99 and not \$84,685.35 (reduction of \$41,947.36);
- (iii) For the 2014 taxation year, the unreported taxable income is established at \$124,387.54 and not \$163,717.03 (a reduction of \$39,329.49); and
- (iv) The penalties imposed under subsection 163(2) are maintained but must be reduced to take account of the adjustments made by the Court to the unreported taxable income .

The call for reassessment for the 2015 taxation year is allowed, and the reassessment is cancelled since the Minister has not discharged his burden of establishing a reassessment outside the normal reassessment period under subparagraph 152(4) (a) (i).

No costs are awarded.

### **IV. PRELIMINARY QUESTION: Respondent's objection**

[ 11 ] The respondent objected to Mr. Gouriche's filing of the various sworn statements of persons established in Morocco, which were filed subject to the respondent's objection, such as exhibits A-7 to A-12 (the "Sworn Statements" ), on the grounds that the condition provided for in the second paragraph of [article 2870](#) of the *Civil Code of Québec* (Chapter CCQ-1991) ( "CCQ" ), namely that "the circumstances surrounding the statement give it sufficiently serious guarantees to be able to rely on it" , was not met.

[ 12 ] According to the respondent, there are not sufficiently serious guarantees to be able to rely on the Affidavits since the facts which are related therein took place more than 10 years ago, Mr. Gouriche admitted in his testimony to having written some of the Affidavits, the respondent was unable to cross-examine the declarants, and these declarations were not necessary since Mr. Gouriche had personal knowledge of the facts which are related therein and testified about these facts at the hearing.

[ 13 ] For these reasons, the respondent argues that the Court should not admit the affidavits as evidence. However, if the Court were to admit them, it would have to determine their probative value, which the respondent argues is low.

[ 14 ] According to Mr. Gouriche, the sworn statements meet the criteria of necessity and reliability; therefore, the Court should accept their filing as evidence in the Court file, and give them significant probative force.

[ 15 ] For the following reasons, the respondent's objection is dismissed and the affidavits are admitted as evidence and filed with the Court. As to their probative value, I will address this below in the context of my analysis of all the evidence heard at trial.

[ 16 ] Sworn statements can be briefly described as follows:

(i) Exhibit A-7: solemn sworn statement of Mr. Miloud Gouriche dated January 22, 2026, in which Miloud Gouriche declares that he gave his brother, Mr. Gouriche, the sum of 500,000 DH between 2012 and 2013;

(ii) Exhibit A-8: solemn sworn statement of Mr Said Barrad dated February 2, 2026, in which Mr Barrad declares that Mr Gouriche lent him a sum of 280,000 DH in 2005, that a second-ranking mortgage was registered on his apartment in February 2011, and that he repaid this sum in installments between 2013 and 2015;

(iii) Exhibit A-9: solemn sworn statement of Ms. Nadia Gouriche dated January 22, 2026, in which Ms. Gouriche declares that she purchased in 2016 an apartment which belonged to her brother, Mr. Gouriche, and that she paid in cash over time between 2011 and 2016 the sum of 300,000 DH as an advance on the purchase price;

(iv) Exhibit A-10: Declaration on honour of Mr Taoufiq Aboufirassi dated 3 February 2026 stating that Mr Gouriche had transferred the sum of \$2,000 to his family in Montreal in 2013 and that during Mr Gouriche's visit to Morocco, he repaid this sum;

(v) Exhibit A-11: solemn sworn statement of Mr. Ilias Brouk dated January 28, 2026, in which Mr. Brouk declares that he received from Mr. Gouriche the sum of \$5,020 in 2013, \$2,100 in 2014 and \$216.93 in 2015 to pay sums he owed, and that Mr. Brouk's family reimbursed Mr. Gouriche during his visits to Morocco;

(vi) Exhibit A-12: A solemn affidavit of Mr. Abderrazeq Eddahir dated February 3, 2026, in which Mr. Eddahir declares that Mr. Gouriche paid

some of his invoices, namely in 2013, an invoice of \$1,640, in 2014, an invoice of \$551.18 and in 2015, an invoice of \$2,754.98, and that he reimbursed Mr. Gouriche by bank transfers.

[ 17 ] Since this dispute is being heard in Quebec, and it is a question of the law of evidence, the relevant provisions of the [Civil Code of Quebec](#) must be applied ( [section 40](#) of the [Canada Evidence Act](#) , RSC (1985), c C-5):

**40** In all proceedings which fall within the legislative authority of the Parliament of Canada, the laws of evidence which are in force in the province in which the proceedings are carried on, including laws relating to proof of service of a warrant, summons, subpoena or other document, apply to the proceedings, except this Act and other federal laws.

[ 18 ] The relevant provisions of the [CcQ](#) are as follows:

**2843.** Testimony is the statement by which a person relates facts of which he or she has personal knowledge or by which an expert gives his or her opinion.

For it to be admissible as evidence, it must be contained in a deposition made to the court, except with the consent of the parties or in cases provided for by law.

**2869.** A statement made by a person who is not a witness at the proceedings or by a witness prior to the proceedings is admissible as testimony if the parties consent; a statement that meets the requirements of this chapter or of the law is also admissible as testimony .

**2870.** A statement made by a person who does not appear as a witness, on facts about which he or she could legally have testified, may be admitted as testimony, provided that, upon request and after notice has been given to the opposing party, the court authorizes it .

However, the judge must ensure that it is impossible or unreasonable to require the declarant to appear as a witness, and that the circumstances surrounding the statement provide sufficiently serious guarantees to be relied upon .

These guarantees are presumed to include, in particular, documents drawn up in the course of business activities and documents entered in a register whose maintenance is required by law, as well as spontaneous and contemporaneous declarations of the occurrence of the events.

[Our emphasis.]

[ 19 ] Since the respondent does not consent to the filing of the Declarations under oath, it is only if the declarations comply with the requirements of chapter three of title three of book seven of the [CcQ](#) that such declarations may be filed in the Court's record and admitted as testimony ( [art. 2869](#) of the [CcQ](#)).

[ 20 ] That being said, the respondent agrees that he was given notice and that the affidavits were made by persons who could legally testify to these facts (al. 2870(1)

of the [CCQ](#) ).

[ 21 ] Thus, if the two other conditions provided for in the second paragraph of [article 2870](#) of the [CCQ](#) are met, namely the requirements of necessity and the guarantees of reliability, the Court may accept the Declarations under oath as testimony, even if the respondent was unable to cross-examine the declarants.

[ 22 ] For the following reasons, the Court concludes that Mr. Gouriche has fulfilled his burden of demonstrating that the Affidavits are necessary and therefore the necessity test is met with respect to the Affidavits.

[ 23 ] In *R v. Smith* , [1992 CanLII 79 \(SCC\)](#) , [1992] 2 SCR 915 [ *Smith* ], the Supreme Court of Canada stated the following on pages 933-934 with respect to the necessity test:

As I have already stated, the criterion of necessity must be given a flexible definition, capable of encompassing different situations. These situations will have in common that, for various reasons, relevant direct evidence is not available. A number of situations can give rise to such necessity. Without attempting to provide an exhaustive list, Wigmore proposes the following categories in §1421:

[TRANSLATION] (1) The person making the statement may now be deceased, out of jurisdiction, mentally incapacitated, or for some other reason unavailable for verification [by cross-examination]. This is the most common and obvious reason . . .

(2) The statement may be such that it is not possible, again or at this time, to obtain from the same or other sources proof of the same value. [...] The necessity is not as great; it is perhaps scarcely a necessity; it may be supposed to be a mere convenience. But the principle remains the same.

[ 24 ] First, the Court does not permit testimony, by teleconference or other technological means, from persons who are not physically in Canada, although the Court's rules of procedure provide for this possibility. The Court cannot fault Mr. Gouriche for not having made reasonable efforts to ensure the appearance of the declarants, either in person or by other technological means, since he himself proposed having the declarants from Morocco testify using technological means to avoid requiring them to travel to Canada.

[ 25 ] The Court also agrees that it was unreasonable to require the declarants to appear in person in Canada for the appeal hearings, given their remoteness and the high costs involved in appearing in Montreal. Indeed, the declarants are all domiciled or resident in Morocco, and requiring them to travel to Canada to give their testimony would have been unreasonable.

[ 26 ] Furthermore, the Court agrees that the circumstances surrounding the Affidavits “give them sufficiently serious guarantees to be relied upon” (al. 2870(2)

of the [CCQ](#) ).

[ 27 ] Indeed, within the framework of *Common Law* , the Supreme Court of Canada has ruled on the reliability standard that an out-of-court statement must meet to be admissible as testimony.

[ 28 ] In the *Smith* decision , the Supreme Court of Canada states the following on page 933 with respect to the reliability test:

The criterion of "reliability" —or , in Wigmore's terminology, the circumstantial guarantee of reliability — depends on the circumstances in which the statement in question was made . If a statement that one wishes to present as hearsay evidence was made in circumstances that considerably preclude the possibility that the declarant lied or made a mistake, the evidence can be said to be "reliable , " that is to say , there is a circumstantial guarantee of reliability .

[Our emphasis.]

[ 29 ] Also, in *Khan v. The Queen* , [1990 CanLII 77 \(SCC\)](#) , [1990] 2 SCR 531, the Supreme Court of Canada indicated that the corroboration of sworn affidavits by other material evidence is an indication of their reliability (p. 548).

[ 30 ] In concluding that the reliability test for affidavits is met, the Court notes that the facts recounted in the affidavits filed under Exhibits A-7, A-8, and A-9, in addition to being facts to which the declarants could personally attest, are also largely corroborated by other evidence accepted by the Court, contained in the Joint Document Book (Exhibit AI-2, Joint Document Book, the “Joint Book” ). Furthermore, Mr. Gouriche’s testimony corroborated the facts recounted in these affidavits. For these reasons, the Court finds that the reliability test is met with respect to the affidavits filed under Exhibits A-7, A-8, and A-9.

[ 31 ] Thus, tab 9 of the Joint Register contains a document entitled “Donation ,” in which Mr. Miloud Gouriche, Mr. Gouriche’s brother, confirms having given the sum of 500,000 DH to Mr. Gouriche. Mr. Miloud Gouriche’s sworn statement dated January 22, 2026 (Exhibit A-7) is a declaration in which he states that he gave his brother, Mr. Gouriche, the sum of 500,000 DH between 2012 and 2013. This statement is largely corroborated by the first document.

[ 32 ] Tab 7 of the Joint Notebook is a document entitled "Acknowledgement of Debt" by Mr. Barrad in August 2005 acknowledging that he owed Mr. Gouriche the sum of 280,000 DH. Tab 8 of the Joint Notebook is also a certified copy of the order issued by a Moroccan court on February 11, 2011, obligating Mr. Barrad to repay Mr. Gouriche the sum of 280,000 DH. Tab 13 of the Joint Notebook confirms the registration on April 27, 2011, of the attachment of the title to an apartment

belonging to Mr. Barrad in favor of Mr. Gouriche as security for the loan of 280,000 DH owed by Mr. Barrad to Mr. Gouriche.

[ 33 ] The solemn sworn statement of Mr Said Barrad dated 2 February 2026 (Exhibit A-8) is a statement by which Mr Barrad declares that Mr Gouriche lent him a sum of 280,000 DH in 2005, that a second mortgage was registered on his apartment in February 2011 and that he repaid this sum in installments between 2013 and 2015. This statement is therefore largely corroborated by the other evidence mentioned above.

[ 34 ] Tab 12 of the Joint Register is a sales contract for an apartment between Mr. Gouriche as seller and his sister, Ms. Nadia Gouriche, as buyer, dated April 20, 2016, under which Ms. Gouriche agrees to have paid a sum of 300,000 DH as an advance on the purchase price before April 20, 2016. Also, Tab 14 of the Joint Register is a declaration by the notary confirming that Mr. Gouriche had bought this apartment in 1993, and sold it to his sister on April 20, 2016.

[ 35 ] The solemn sworn statement of Ms. Nadia Gouriche dated 22 January 2026 (Exhibit A-10) is a statement by which Ms. Gouriche declares that she bought in 2016 an apartment which belonged to her brother and that she paid in cash the sum of 300,000 DH over time between 2011 and 2016. This statement is therefore largely corroborated by the other evidence mentioned above.

[ 36 ] With respect to Exhibit A-10, namely Mr. Taoufiq Aboufirassi's statement concerning a \$2,000 loan from Mr. Gouriche, I also consider the reliability criterion to be met. Indeed, during the audit, Mr. Gouriche indicated that he had made a loan to a friend, and transfers totaling approximately \$2,000 were recorded by the auditor. Furthermore, the evidence demonstrated that Mr. Gouriche occasionally made loans to certain individuals, including Mr. Aboufirassi.

[ 37 ] With respect to exhibit A-12, which is the statement of Mr. Abderrazeq Eddahir dated February 3, 2026, the Court considers that the reliability criterion is also met, given that the facts related therein are corroborated by the documents filed as exhibit A-13 (Revenu Québec collection notice addressed to Mr. Eddahir) and exhibit A-14 (cheques issued by Mr. Gouriche to Revenu Québec in payment of sums owed by Mr. Eddahir) establishing that Mr. Gouriche did indeed pay the sums owed by Mr. Eddahir to Revenu Québec.

[ 38 ] Finally, with respect to Exhibit A-11, namely the statement by Mr. Ilias Brouk confirming that Mr. Gouriche paid certain expenses for him while he was a student in Montreal, and that Mr. Gouriche was reimbursed by his family during his trips to Morocco, I consider that the reliability criterion for this statement is also met. Indeed, the evidence has shown that Mr. Gouriche often paid expenses for Moroccan

students in Quebec and was reimbursed by the students' families during his trips to Morocco.

## **V. TESTIMONIES**

### **A. The appellant and his witnesses**

#### **(1) Mr. Gouriche**

[ 39 ] Mr. Gouriche left Morocco in 1997 to settle in the United States, where his son was born. Subsequently, in 2001, Mr. Gouriche immigrated to Quebec with his wife and two children.

[ 40 ] In 2003, he studied for a master's degree in linguistics at UQAM. During this time, he worked part-time at the Port of Montreal and pursued studies in real estate brokerage in the evenings.

[ 41 ] In 2004, Mr. Gouriche worked as a mortgage broker for the company Multiprêt. In 2005, he worked as a real estate broker for Sutton.

[ 42 ] Also during 2005, he bought his first house in St-Hubert for \$114,000 and sold it a year later for \$138,000. He then bought the Residence (which he still owns) for \$228,000. He invested 5% in cash and the balance of the purchase price was financed.

[ 43 ] Beginning in 2006, he invested in various businesses using the proceeds from the sale of his first house. For example, with another person, he invested in a Subway restaurant franchise located in downtown Montreal. To do so, they created the company MG Global. The franchise was later sold.

[ 44 ] In 2008, he was working as a real estate broker and was looking to diversify his activities. He invested in a taxi, without success.

[ 45 ] In 2010, Mr. Gouriche completed his courses to become a licensed real estate broker and then opened his own agency operated by the company MG Global.

[ 46 ] In 2011, he invested \$30,000 in a company called "Automobile Plus" and subsequently recouped his investment.

[ 47 ] In 2012, along with three other people, he formed the company 9263. This company operated a business building and selling apartments. In 2012, 9263 purchased a plot of land for \$175,000, which was divided into two parts. 9263 obtained a private loan to finance the construction of the first triplex and then

refinanced the loan with the bank to have the funds available to build a second triplex.

[ 48 ] As Mr. Raymond indicated, Mr. Gouriche explained that the accountant for company 9263 made the mistake of adding the sum of \$1,000,000 to \$1,200,000 to the shareholders' advance account, this sum representing the funds received by the company as part of the refinancing.

[ 49 ] In order to be able to complete the 9263 projects and continue to provide for his family, Mr. Gouriche testified that he began to repatriate funds from Morocco towards the end of 2012.

[ 50 ] At the end of 2015, the activities of 9263 came to an end.

[ 51 ] Mr. Gouriche also indicated that he recovered the \$37,500 he had invested in the company 9285-9859 Québec inc. by selling his shares to Mr. Hafid El Kadaoui, then president of that company.

[ 52 ] From 2015 onwards, he devoted himself entirely to real estate and now works as a real estate broker for an agency. He also ceased the activities of MG Global at the end of 2015.

[ 53 ] Mr. Gouriche indicated that he received a call from the CRA auditor, Mr. Raymond, in February 2017. Initially, he had instructed his accountant to answer the auditor's questions. However, when he realized that his accountant was not properly handling his file, he took it upon himself to the best of his ability.

[ 54 ] Mr. Gouriche testified on the points in dispute regarding the calculation of net worth, as set out in the Joint Statement of Facts (Partial), including funds from Morocco, and I will return to these points in more detail in my analysis. Briefly, Mr. Gouriche testified that he had received funds primarily from three sources in Morocco: an inheritance of 500,000 DH (from the estate of one of his brothers), advances of 300,000 DH paid by his sister (Ms. Nadia Gouriche) from the proceeds of the sale of an apartment, and the recovery of a debt of 280,000 DH owed by his brother-in-law (Mr. Barrad).

[ 55 ] Mr. Gouriche testified about the method he used to repatriate funds from Morocco to Canada. According to Mr. Gouriche, since it is forbidden to take dirhams out of Morocco, it is customary for Moroccans to exchange dirhams for foreign currency with merchants in bazaars who sell goods to foreigners. Mr. Gouriche therefore proceeded in this way to exchange his Moroccan dirhams for Canadian dollars. Mr. Gouriche testified that during his trips to Morocco between 2012 and 2015, he brought cash back to Canada most of the time, approximately \$5,000 or \$6,000 per trip, but always less than \$10,000 per trip.

[ 56 ] Also, Mr. Abderrazeq Eddahir, as well as his sisters Nadia and Fatima, and his nephew, who had by then settled in the United States, brought him money from Morocco. Since Mr. Gouriche's son was studying in the United States at the time and living with his family, Mr. Gouriche visited him frequently.

[ 57 ] As for Mr. Barrad, he handed over the funds during his visits to Morocco.

[ 58 ] However, as everything is done informally with the merchants in the bazaars in Morocco, Mr. Gouriche has no receipt confirming the various transactions carried out in the Moroccan bazaars.

[ 59 ] Mr. Gouriche also indicated that he has not had any bank accounts in Morocco for a very long time.

[ 60 ] Mr. Gouriche explained that, during the audit, he had not mentioned to Mr. Raymond the funds he was repatriating from Morocco, believing it to be irrelevant since the funds had been earned in Morocco and not in Canada. However, Mr. Gouriche indicated that he had received funds from abroad from Mr. Benyahia, an opposition officer.

[ 61 ] Mr. Gouriche testified that these funds were deposited into the companies' bank accounts, as well as into his personal bank accounts. Also, some MG Global employees were sometimes paid in cash.

[ 62 ] Mr. Gouriche indicated that Mr. Safouani, the accountant of 9263, had mentioned to him that it was perfectly acceptable to deposit cash into the companies' bank accounts.

[ 63 ] Mr. Gouriche, however, does not have more precise details as to the dates of the various payments or reimbursements, or of the transfers of the inheritance, since he has not kept any record of the money transfers.

[ 64 ] Mr. Gouriche also testified that his personal accountant is Mr. Zanari. Mr. Zanari is also the accountant for MG Global. Mr. Gouriche provided him with his bank statements, invoices, and other documents every three months to prepare the required GST/QST returns and to keep the books. Mr. Zanari also prepared Mr. Gouriche's personal income tax returns since 2009.

[ 65 ] Starting in 2013, Mr. Zanari no longer dealt with the affairs of 9263 since he is not a CPA. 9263 then hired Mr. Safouani who made the mistake of including in the 9263 "advances" account the amount received from the bank for the refinancing which led to the audit of 9263's affairs, and subsequently, to the audit of Mr. Gouriche's affairs.

**(2) Mr. Hafid El Kadaoui**

[ 66 ] Mr. Hafid El Kadaoui indicated that Mr. Gouriche invested in 2013 in the company 9285-9859 Québec inc. (also called Technikad Analytique) which operates a laboratory for the analysis of pharmaceutical and natural products.

[ 67 ] The company originally had 4 shareholders, including Mr. Gouriche and Mr. El Kadaoui. Mr. El Kadaoui is now the sole shareholder of the company.

[ 68 ] Mr. Gouriche purchased common shares for a total cost of \$37,500 over a certain period. Three cheques were filed as evidence (Joint Ledger, Tab 17):

- September 5, 2013: a check for \$15,000 drawn to the order of Technikad Analytique from Mr. Gouriche's account;
- September 27, 2013: a check for \$12,500 drawn on Mr. Gouriche's account and made payable to 9285-9859 Québec Inc.; and
- September 27, 2013: a check for \$10,000 drawn to the order of 9285-9859 Québec inc. from the account of MG Global.

[ 69 ] Mr. El Kadaoui testified that the company was not very successful. Mr. Gouriche then decided to withdraw, and Mr. El Kadaoui then bought back the shares held by Mr. Gouriche at the amount he had paid for them, namely \$37,500. Mr. El Kadaoui made the payment of the purchase price by checks dated December 5, 2014 (\$15,000); January 16, 2015 (\$10,000); and bank draft September 24, 2015 (\$12,500) (Joint Book, Tab 17).

**Badr**  
**(3) Mr. Fadhil**

Fadhil has been a  
[ 70 ] Mr. lawyer since 2022.

[ 71 ] In 2013, at the age of 17, he arrived in Quebec from Morocco with his mother, sister, and younger brother. Also in 2013, he met Mr. Gouriche, whose father had purchased a house near the Residence. Mr. Gouriche helped them settle in. He took care of the house and its upkeep, as his father frequently traveled back and forth to Morocco. Mr. Gouriche was a valuable resource for the entire family.

Fadhil  
[ 72 ] Mr. studied at the University of Montreal and McGill University and completed his law degree at Laval University.

Fadhil

[ 73 ] A major disaster struck their house in 2014. Mr. Fadhil was still young at the time but he witnessed Mr. Gouriche's involvement in the repair work, as well as in the maintenance work on their house afterwards.

Fadhil

[ 74 ] On the financial side, Ms. Fadhil recalls that Mr. Gouriche acted as an intermediary between the service providers for the work and his father. Mr. Gouriche was not paid for his services but he probably received reimbursements for the invoices he paid.

[ 75 ] Mr. Gouriche is a friend, he has always been an example to him and has always been there for his family.

[ 76 ] Receipts of payments made to the University of Montreal and McGill University were filed as evidence (Exhibits A-4 (\$1,573.36 in 2013) and A-5 (\$617.31 in 2014)).

Also, four copies of checks issued by Ms.

[ 77 ] Fadhil's parents in the name of Mr. Gouriche were filed in a bundle under Exhibit A-6 (with the reverse side showing the deposit) (check dated June 20, 2014 for \$1,602; check dated October 17, 2013 for \$556; check dated March 17, 2014 for \$1,390; check dated April 22, 2014 for \$2,970).

#### **(4) Mr. Hamid Eddahir**

[ 78 ] Mr. Hamid Eddahir is an engineer and works at James Bay, and he is the uncle of Mr. Abderrazeq Eddahir. Mr. Hamid Eddahir met Mr. Gouriche around 2004-2005, when he acquired his house located on the same street as the Residence.

[ 79 ] Mr. Hamid Eddahir indicated that he was often away from home and that Mr. Gouriche provided him with assistance when necessary, for example, to look after the children at the time.

[ 80 ] In 2012, Mr. Gouriche contacted him to obtain a loan for the construction of the triplexes from the company 9263. Mr. Hamid Eddahir then granted a loan of \$50,000 to Mr. Gouriche on November 22, 2012 (Joint Notebook, Tab 10). Part of this loan was repaid on April 19, 2013, by a check issued by 9263 in favour of Mr. Hamid Eddahir for the amount of \$45,000 (Exhibit A-15).

[ 81 ] The outstanding balance of the loan, \$5,000, has not yet been repaid and therefore remains recorded in Mr. Gouriche's liabilities as indicated by Mr. Raymond in the calculation of net worth.

[ 82 ] Also, the amount of \$45,000 was also deducted from the 'advances' account of 9263 (Exhibit I-1, Respondent's File Book, Tab 3).

**(5) Mr. Othmane Taya**

[ 83 ] Mr. Taya testified that Mr. Gouriche lent him \$800 in 2015 when he came to Canada as an international student. Mr. Gouriche was then the guarantor for his lease. Mr. Taya indicated that his parents repaid Mr. Gouriche when he went to Morocco, but he could not recall when the repayment was made.

**B. The respondent's witnesses**

**(1) Mr. Nicolas Raymond**

[ 84 ] Mr. Raymond is the CRA auditor who conducted the audit of Mr. Gouriche's affairs. Mr. Raymond is a CPA and holds a bachelor's degree in accounting and a graduate diploma in financial crime.

[ 85 ] Mr. Raymond indicated that the audit began with the audit of company 9263, owned by four shareholders, including Mr. Gouriche.

[ 86 ] During the audit of 9263, Mr. Raymond realized that Mr. Gouriche had invested significant sums of money in it. Mr. Gouriche also held interests in several companies, including MG Global, and had also made advances to these companies.

[ 87 ] Mr. Raymond testified about the method he used in this case. He first used 2012 as the reference year and then calculated the year-over-year net worth variance by preparing Mr. Gouriche's balance sheet at the end of each year and thus calculating the net worth at the end of the year. He then made adjustments by adding cost-of-living expenses and unexplained withdrawals from various companies, and subtracting various non-taxable amounts received by Mr. Gouriche (such as reimbursements of sums paid by Mr. Gouriche for another person, gifts, and tax credits), to calculate the amount of income using the net worth method. To establish the new contributions, he subtracted from this latter amount the amounts declared by Mr. Gouriche (Exhibit I-1, Respondent's Document Book, tab 1; working sheets on tabs 2 to 7).

[ 88 ] In order to cross-check his work, Mr. Raymond conducted an analysis of the deposits (Exhibit I-2, Respondent's File Book, Tab 2). According to this analysis, Mr. Raymond concluded that there were two sources justifying the calculation of the discrepancy in Mr. Gouriche's file, one from unexplained bank deposits (totaling \$32,648 in 2013, \$62,217 in 2014 and \$21,971 in 2015) and the second from unexplained advances made by Mr. Gouriche to companies 9263 and MG Global (totaling \$52,037 in 2013, \$101,500 in 2014 and \$27,571 in 2015).

[ 89 ] In calculating the assets, Mr. Raymond added the purchase cost of the Residence, totaling \$228,000. This house was acquired in 2005 by Mr. Gouriche and he held it throughout the audit period (Joint Ledger, Tab 6).

[ 90 ] With respect to the Laurentian Bank Distinction Line of Credit for 2014, Mr. Raymond listed as a liability the balance of this line of credit as of December 31, 2014, which was \$216,908.55 (Exhibit I-1, Respondent's File Book, Tab 8, pp. 66-68). Also, the balance due as of December 31, 2015, is \$180,316 and was indeed included as a liability in the calculation of net worth (Exhibit I-1, Respondent's File Book, Tab 8, p. 85).

[ 91 ] As part of his audit, Mr. Raymond asked the accountant for account 9263 for details of the "advances" account for 9263, without success. Mr. Gouriche then reconstructed this account and provided him with the requested information, based on his bank statements.

[ 92 ] Based on the analysis of account 9263, "advances," Mr. Raymond noted discrepancies between the information provided by Mr. Gouriche and the information reported by the corporation in its income tax returns. Accordingly, Mr. Raymond added amounts of \$10,414 and \$29,656 to the calculation of amounts owed by the corporation to Mr. Gouriche as advances as adjustments as of April 30, 2013, and April 30, 2014, respectively, and granted a reduction of \$1,036 as an adjustment as of April 30, 2015 (Exhibit I-1, Respondent's File Book, Tab 3).

[ 93 ] Mr. Raymond also added an amount to the calculation of Mr. Gouriche's assets as unrecorded advances made by Mr. Gouriche to 9263 (Exhibit I-1, Respondent's File Book, Tab 3, p. 11). These unrecorded advances represent amounts paid by Mr. Gouriche on behalf of the company, namely \$2,000 in 2013 for lawn-cutting services, and \$5,000 paid by Mr. Gouriche in 2014 as partial repayment of a loan owed by the company to the Les amours de Mia et Tia daycare.

[ 94 ] In the calculation of the "advances" account of 9263, the loan made by Mr. Hamid Eddahir was recorded, and the repayment was recognized by reducing the balance of advances due to Mr. Gouriche in April 2013 (Exhibit I-1, Respondent's Document Book, tab 4, p. 30).

[ 95 ] According to Mr. Raymond, the books and records of 9263 were kept in a very summary manner (Exhibit I-2, as well as Exhibit I-1, Respondent's Book of Documents, tab 9).

[ 96 ] However, the accounting was well kept in the company MG Global, which is wholly owned by Mr Gouriche.

[ 97 ] The working papers concerning MG Global's "advances" account prepared by Mr. Raymond are located on tab 4 of the Respondent's File of Documents (Exhibit I-1). With respect to MG Global, the balance of the "advances" account is listed as a liability for Mr. Gouriche. Mr. Raymond, however, was never able to identify the source of the funds deposited into the company's "advances" account.

[ 98 ] In companies 9285-9859 Québec inc. and 9314-9649 Québec inc., the sums invested by Mr. Gouriche were not significant.

[ 99 ] Mr. Raymond indicated that the information he was requesting was coming in dribs and drabs. During the verification process, Mr. Gouriche answered several of his questions in the negative, including the question of whether he had received funds from abroad or an inheritance.

[ 100 ] The audit took place over a period of more than 2 years (from February 13, 2017 to May 7, 2019). Mr. Raymond ended it as no additional information was being received, despite numerous requests for additional information.

[ 101 ] Mr. Raymond indicated that, although he had asked Mr. Gouriche whether he had received funds from abroad, he only learned of this after reading the report prepared by the objections officer. Therefore, in the course of his review, Mr. Raymond did not consider that Mr. Gouriche could have received any sums from Morocco, except for reimbursements of certain amounts he paid for members of certain families in Quebec.

[ 102 ] With respect to the positive and negative adjustments made in the calculation of net worth, Mr. Raymond testified that he granted a 90% reduction in business expenses totaling \$30,211 claimed by Mr. Gouriche, in the calculation of the cost of living for the 2015 taxation year (Exhibit I-1, Respondent's File Book, Tab 5, p. 34).

[ 103 ] Furthermore, with respect to the unexplained withdrawals from MG Global's "advances" account totaling \$20,400 in 2013 and \$42,783 in 2015 (recorded as debits to the "advances" account), Mr. Raymond was unable to trace corresponding deposits into Mr. Gouriche's bank accounts. Therefore, he made a positive adjustment equivalent to these amounts in the calculation of net worth. Mr. Raymond did, however, indicate that these amounts may have been double-counted, but that without proof of deposits into the bank accounts, he had to make a positive adjustment in the calculation of net worth (Exhibit I-1, Respondent's File Book, Tab 5, p. 39).

[ 104 ] Finally, with regard to personal expenses (added to the calculation of net worth), Mr. Raymond indicated that they had been calculated by analyzing bank accounts and not by using any statistics (Exhibit I-1, Respondent's File Book, Tab 6).

[ 105 ] According to Mr. Raymond, the discrepancy in net worth is significant, and he was unable to determine the source of the funds (Exhibit I-1, Respondent's File Book, Tab 1). The origin of the funds is highly problematic. The advances made to the companies were not explained. Furthermore, during the audit, Mr. Gouriche provided very little information, and the accountant for 9263 offered no cooperation.

[ 106 ] According to Mr. Raymond, the conditions for the application of subparagraph 152(4) (a)(i) are met, as Mr. Gouriche demonstrated negligence in filing his income tax returns. This negligence is inferred from the fact that Mr. Gouriche's reported income is very low compared to the cost of living calculated from his bank and credit card statements, the discrepancy between the cost of living and Mr. Gouriche's reported salary is significant, and Mr. Gouriche's explanations lacked credibility.

[ 107 ] According to Mr. Raymond, Mr. Gouriche was poorly supervised by his accountants, although it remained his responsibility to properly declare his income. Mr. Gouriche also lacked rigor in the management of his companies.

[ 108 ] Furthermore, according to Mr. Raymond, the penalties under subsection 163(2) must be imposed since Mr. Gouriche knew or should have known that the income he reported over the years was insufficient to maintain his standard of living and the difference calculated by the net worth method is very significant (Exhibit I-2, Penalty Report).

## **(2) Mr. Ferhat Benyahia**

[ 109 ] Mr. Ferhat Benyahia is the opposition agent who dealt with the notices of opposition lodged by Mr. Gouriche.

[ 110 ] Mr. Benyahia accepted some of Mr. Gouriche's claims and reduced the new assessments for the 2013 and 2014 taxation years only (Exhibit I-1, Respondent's File Book, Tab 10; Report on Objection prepared by Mr. Benyahia).

[ 111 ] Thus, the "cash on hand" item in the calculation of assets was reduced to take account of the fact that certain amounts had been recorded twice by the audit, i.e. as a reduction of the liability owed by MG Global to Mr. Gouriche and as an addition to the "cash on hand" item in the calculation of assets.

[ 112 ] Also, in calculating liabilities, a \$1,000 loan from Mr. Mostapha Labdidi was recognized for all relevant tax years. Finally, \$2,000 from a bank account belonging to Mr. Gouriche was recognized as a reduction in the calculation of net worth for 2013.

[ 113 ] According to Mr. Benyahia, communication with Mr. Gouriche went very well. However, according to Mr. Benyahia, the major problem in this case is the size of the cash deposits.

[ 114 ] According to the information Mr. Benyahia received, there were three sources of funds for Mr. Gouriche: (i) the sale of an apartment in Morocco; (ii) the receipt of funds from his brother's estate in Morocco; and (iii) the recovery of sums owed by a third party in Morocco. Without further evidence from Mr. Gouriche, Mr. Benyahia made no adjustments to account for these amounts.

[ 115 ] Finally, Mr. Benyahia agreed with Mr. Raymond regarding the application of subparagraph 152(4) (a)(i) and subsection 163(2).

## **VI. THESES OF THE PARTS**

### **A. The Respondent**

[ 116 ] The Minister was within his rights to add to Mr. Gouriche's income the amounts of \$84,686, \$163,717 and \$39,542 (as a result of the concession made by the respondent) for the taxation years 2013, 2014 and 2015, respectively.

[ 117 ] According to the respondent, the Minister can determine the tax payable by a taxpayer using the net worth method (s. 152(7)) ( *Hsu v. Canada* , 2001 FCA 240 [ *Hsu* ], para. 23). Also, the Minister was entitled to reassess outside the normal reassessment period under subparagraph 152(4)(a)(i) and to impose penalties under subsection 163(2).

[ 118 ] In this case, the audit of 9263 Corporation showed that the income reported by Mr. Gouriche could not cover the amount of the advances appearing in the corporation's "advances" account . Although the evidence subsequently showed that the accountant had made an error in recording the amounts of \$1,000,000 to \$1,200,000 obtained by 9263 as a result of refinancing in 9263's "advances" account, and that the "advances" account was subsequently corrected to \$115,000 for Mr. Gouriche, a discrepancy in net worth still remained on Mr. Gouriche's record.

[ 119 ] Thus, the auditor carried out a full audit of Mr. Gouriche's affairs. The auditor made no estimates and no amounts were established based on any statistics. The auditor analyzed the deposits and withdrawals in Mr. Gouriche's bank accounts, based on the bank statements, and attempted to reconcile the "advance" accounts of the various companies.

[ 120 ] The use of the net asset method was justified given the deficiency in the bookkeeping of 9263, although the evidence demonstrated that MG Global's books and records were properly kept. However, the respondent agrees that Mr. Gouriche

provided the necessary information to reconstruct the "advances" account in 9263's books and records.

[ 121 ] The work carried out by the auditor was complete. At the opposition stage, adjustments were made in favour of Mr Gouriche, as a result of additional representations submitted to the opposition officer, without these representations having been made to the auditor.

[ 122 ] In this case, the Minister established a discrepancy in Mr. Gouriche's net worth, and it was therefore incumbent upon Mr. Gouriche "to separate his taxable income from gains from non-taxable sources" (*Hsu* , para. 29).

[ 123 ] Relying on *Lacroix v. Canada* , [2008 FCA 241](#) [ *Lacroix* ] (at paras. 18 and 20 ), the respondent argues that insofar as the Minister "presumes that the income determined by applying the net worth method is taxable income, it is up to the taxpayer to demolish that presumption .

[ 124 ] The respondent alleges that Mr. Gouriche could discharge his obligation to refute the Minister's assumptions by challenging the Minister's allegations, by demonstrating that the assumptions were erroneous, or by arguing that even if the assumptions were justified, they did not support the new assessments ( *Hsu* , para. 36).

[ 125 ] Mr. Gouriche was best placed to demonstrate the source of the income recorded by the net asset method, since he controlled the affairs of the companies.

[ 126 ] Mr. Gouriche contests few elements in the calculation of net worth. It was established at the hearing that Mr. Gouriche no longer contested the inclusion of the Residence in the calculation of assets, nor the amount of the Laurentian Bank Distinction Line of Credit for the year 2014 in the calculation of liabilities.

[ 127 ] The auditor conducted an analysis of bank deposits (Exhibit I-1, Respondent's File Book, Tab 3) confirming the existence of a discrepancy attributable to unexplained advances by Mr. Gouriche to 9263 and MG Global, as well as to Mr. Gouriche's cost of living (through analysis of bank and credit card statements).

[ 128 ] Although some evidence shows that Mr. Gouriche is a creditor of Mr. Barrad, that he received an inheritance, and that he sold an apartment to his sister, the question is to determine (i) whether Mr. Gouriche received this money, when he received it, and the amount actually received; and (ii) whether the funds were used in Canada to support his living expenses and justify the injection of funds into his companies between 2013 and 2015. Since Mr. Gouriche has not provided details regarding the deposit of the funds, namely the dates and amounts deposited, the Court cannot make any adjustments to the calculation of his net worth. Mr. Gouriche

was required to keep a record of the use of the funds received from Morocco, which he failed to do.

[ 129 ] According to the respondent, Mr. Gouriche has not demonstrated by credible and consistent evidence that the unexplained bank deposits and advances to companies came from non-taxable sources.

[ 130 ] According to the respondent, Mr. Gouriche's testimony must be assessed in light of the following facts:

- Mr. Gouriche denied at the verification stage having received funds from abroad, only mentioning it at the opposition stage and in his testimony to the Court when testifying that he had received \$160,000 from Morocco;
- The safety deposit box did not contain any cash, according to what had been reported to Mr. Raymond, before changing this version at the hearing;
- No documentary evidence has been produced to justify the repatriation of funds by Mr. Gouriche, by friends and relatives;
- No documentary evidence has been produced regarding the operations carried out in Moroccan bazaars;
- No documentary evidence has been produced regarding the dates of deposit of funds received from abroad into bank accounts;
- No documentary evidence has been produced regarding the safe deposit box consultation log despite the prior commitment;
- No documentary evidence or records detailing expenses paid for third parties and reimbursed to Mr. Gouriche have been produced;
- Regarding the debt of 280,000 DH owed by Mr. Barrad and which was allegedly repaid during the years 2013 to 2015, one must question the reason for the existence of the precautionary seizure on the apartment in June 2021, when Mr. Gouriche claims to have received the reimbursement of this sum during the period from 2013 to 2015;
- No details were provided regarding the dates of the payments of the sum of 300,000 DH by Mr. Gouriche's sister to Mr. Gouriche;

- No details were provided regarding the dates of payment of the sums from the inheritance of Mr. Gouriche's brother.

[ 131 ] Furthermore, the sum of \$160,000 does not fully account for the discrepancy in net worth. According to the respondent, although it is possible that Mr. Gouriche had funds in Morocco and brought them back, the use of these funds and their impact on the calculation of net worth is neither clear, nor precise, nor detailed, and consequently, no adjustment should be made by the Court in this regard.

[ 132 ] According to Mr. Gouriche, he repatriated funds from Morocco starting in 2012 during his trips there. However, a copy of his passport indicates that Mr. Gouriche made only one or two trips per year to Morocco during the period covered by the new assessments. Mr. Gouriche would therefore have needed several partners to repatriate the funds. It is also surprising that Mr. Gouriche kept no records detailing the amounts received and the dates of payments.

[ 133 ] The respondent argues that, in the absence of reliable and credible references on an unusual subject, and when testimony is rather vague or even confused, the evidence must be excluded ( *Sanchez v. The Queen* , [2010 ICC 283](#) , at paras. 40 , 41 and 47). The Court must therefore exclude the evidence submitted by Mr. Gouriche.

[ 134 ] Regarding subparagraph 152(4)(a)(i), the respondent alleges that Mr. Gouriche negligently misrepresented the facts in filing his income tax returns for the 2013, 2014, and 2015 taxation years. According to the respondent, since the difference calculated using the net worth method remains unexplained, Mr. Gouriche's negligence is demonstrated ( *Lacroix* , para. 26 ). Indeed, even if the Court accepts Mr. Gouriche's claims regarding the amounts originating from Morocco, these do not fully explain the difference calculated using the net worth method.

[ 135 ] Mr. Gouriche was also negligent in keeping the companies' books and records, and particularly with regard to the books and records of 9263.

[ 136 ] Mr. Gouriche is a sophisticated individual, given his past professional experience. The evidence demonstrated significant deficiencies in expense tracking. Mr. Gouriche also had control of his personal and corporate bank accounts. Mr. Gouriche did not keep records for the repatriation of funds from abroad and no records of transactions with members of his community. No evidence was produced to demonstrate any errors in MG Global's "advances" account . The accountant obtained the information from Mr. Gouriche.

[ 137 ] As regards the penalties under subsection 163(2), the respondent argues that the evidence has shown that Mr. Gouriche committed a serious offense, since he demonstrated indifference to compliance with the [Act](#) : low declared income,

recurring omission, Mr. Gouriche had control of the bank accounts, he is educated and he had a good knowledge of business.

[ 138 ] The respondent requests that the appeals for the 2013 and 2014 taxation years be dismissed, and that the appeal for the 2015 taxation year be admitted to give effect to the concession made by the respondent, and that costs be awarded according to the tariff.

## **B. The appellant**

[ 139 ] Mr. Gouriche alleges that the determination of the difference in net worth was not based on an examination of the companies' bank statements. In fact, the auditor used the "advances" account of companies 9263 (as reconstructed by Mr. Gouriche) and MG Global to establish the difference, among other things, which does not necessarily reflect the actual advances and withdrawals made.

[ 140 ] Mr. Gouriche acknowledges having told the auditor that his safety deposit box did not contain any cash at the time of the audit in 2017, and that this was true at that time.

[ 141 ] At the end of 2012, when 9263 began construction of the triplexes, Mr. Gouriche started repatriating funds from Morocco. Previously, he had invested \$115,000 in 9263 as advances. Also, around this time, he was making cash deposits into MG Global's account and his bank accounts using the funds repatriated from Morocco.

[ 142 ] According to Mr. Gouriche, he has no undeclared income for the tax years 2013, 2014 and 2015. The Court must consider the fact that he repatriated funds from Morocco to enable him to meet his needs and for investment purposes in his companies.

[ 143 ] Mr. Gouriche is of the opinion that subparagraph 152(4)(a)(i) should not be applied because he would have demonstrated ignorance, not negligence.

[ 144 ] Mr. Gouriche was not indifferent to compliance with the [law](#), as he provided all his documents to his accountant, Mr. Zanari, every three months so that the latter could make the necessary entries in the company books and remit taxes. Mr. Gouriche claims that he has no business experience, although he invested in a Subway franchise in 2005, which was not successful. He also indicates that all his attempts to establish himself in business have been unsuccessful. His background is in literature and linguistics, and he has no business training.

[ 145 ] Mr. Gouriche has always cooperated with the auditor and the opposition officer, who also admitted this during their testimony before the Court.

[ 146 ] Mr. Gouriche also alleges that he did not commit gross negligence within the meaning of subsection 163(2), having merely misinterpreted the provisions of the tax laws, and without demonstrating significant disregard for compliance with the provisions of the [Act](#) .

## **VII. DISCUSSION**

### **A. The net worth method**

[ 147 ] As a general rule, in tax appeals, the burden of proof rests with the taxpayer. Mr. Gouriche therefore has the burden of demonstrating that the factual assumptions on which the Minister relied in establishing the reassessments are incorrect, and of proving, on a balance of probabilities, the facts justifying his argument, while the Minister has the burden of proving, on a balance of probabilities, the facts justifying the imposition of penalties (subsections 163(2) and 163(3)) and the establishment of the reassessments outside the normal reassessment period under subparagraph 152(4)(a)(i).

[ 148 ] The Minister is not bound by a statement or information provided by, or on behalf of, a taxpayer and may use another method of verification to determine the tax payable (subsection 152(7)). Subsection 152(8) also provides that “an assessment is deemed to be valid and enforceable notwithstanding any error, defect or omission in the assessment or in any proceedings relating to it under this Act” .

[ 149 ] In this case, the Minister chose to use the net worth method to determine the tax payable by Mr. Gouriche. This method is based on “the premise that if you subtract a taxpayer’s net worth at the beginning of the year from their net worth at the end of the year, add the taxpayer’s expenses during the year, and subtract non-taxable cash receipts and capital gains on existing assets, then the net result, after deducting any amount declared by the taxpayer, must be attributable to undeclared income earned during the year, unless the taxpayer can prove otherwise” ( *Bigayan v. The Queen* , 1999 CanLII 86 (TCC) , [2000] 1 CTC, 2229, 2000 DTC 1619 [ *Bigayan* ], at para. 2 ).

[ 150 ] The courts have acknowledged that this method is arbitrary and imprecise, but have also indicated, in the *Hsu* case (at para. 30):

Any perceived inequity relating to this type of assessment is resolved by recognizing that the taxpayer is in the best position to know their taxable income. When the factual basis of the Minister's estimate is inaccurate, it should be straightforward for the taxpayer to correct the Minister's error to the satisfaction of the Court.

[ 151 ] As the Court indicated in *Bigayan* (at paras. 3 and 4 ) when dealing with a contribution established using the net asset method:

[3] The best way to challenge an assessment based on net worth is to produce evidence of what the taxpayer's actual income is. A less satisfactory, but nonetheless acceptable, method is described by Justice Cameron in *Chernenkoff v. Minister of National Revenue* , 1949 CanLII 587 (CA EXC) , 49 DTC 680, at page 683:

[TRANSLATION]

In the absence of documents, the other option available to the appellant was to prove that, even after a proper application of the net worth formula, the contributions were incorrect.

[4] This method of challenging an assessment based on net worth is recognized, but even after adjustments have been made, one is left with the uneasy feeling that the truth has not been fully uncovered. It is unlikely that an instrument which is inherently imperfect can be perfected by modifying it. The appellant has chosen to use the second method.

[ 152 ] More recently, in *Truong v. R.* ( 2017 TCC 22 (at para. 36 ); affirmed by the Federal Court of Appeal in *Truong v. Canada* , 2018 FCA 6 , and leave to appeal to the Supreme Court of Canada having been refused), the Court indicated that a taxpayer may challenge an assessment made by the net worth method in three ways: by challenging its necessity or the method originally chosen; by challenging specific aspects of the amount set, the method followed or items included; or by producing evidence about non-taxable sources of income received by the taxpayer.

[ 153 ] Thus, in order to prevail, Mr. Gouriche has the burden of identifying the source of income and demonstrating, on the balance of probabilities, that this income is not taxable.

[ 154 ] In order to successfully challenge the new assessments, Mr. Gouriche must therefore present detailed and convincing testimony, and supporting evidence if possible, to explain the various unexplained deposits in his bank accounts and the unexplained advances made to companies. According to the auditor, these are the main sources of discrepancies in his net worth and the reasons justifying their exclusion from the calculation of his income. For example, Mr. Gouriche can achieve this either by establishing, on the balance of probabilities, new facts not taken into account by the Minister, showing that the undeclared income was not taxable, or by demonstrating that the Minister's factual assumptions are incorrect. In this case, Mr. Gouriche has chosen to challenge the new assessments by contesting specific elements in the calculation of his net worth and by attempting to demonstrate that he also received non-taxable funds from Morocco.

[ 155 ] Thus, Mr. Gouriche's credibility and the sufficiency of his evidence will be decisive ( *Landry v. The Queen* , 2009 ICC 399 , at para. 47 ; *Roy v. The Queen* ,

2006 ICC 226 ).

[ 156 ] Also, as the Court noted in *Kozar v. R.* , 2010 ICC 389 (at para. 49 ), I note that where the Act does not require supporting documents, credible oral evidence from the taxpayer is sufficient, despite the absence of documents.

[ 157 ] In addition to providing evidence to refute the Minister's assumptions, Mr. Gouriche could also demonstrate that the reassessments are inherently flawed. Therefore, in addition to assessing the credibility of Mr. Gouriche's testimony and the documents submitted as evidence during the hearing, the Court may also consider the reasonableness of the reassessments based on the net worth method as a whole when deciding whether to allow or dismiss the appeals.

[ 158 ] It is possible that Mr. Gouriche may not discharge his burden if the respondent successfully challenges the evidence produced at the hearing, if evidence is contradictory, or if the Court draws a negative conclusion from the fact that Mr. Gouriche did not produce important evidence that was available to him.

[ 159 ] For the following reasons, which I will detail below, I conclude that Mr. Gouriche earned taxable income that he did not declare for the 2013 and 2014 taxation years, but in an amount less than the amount calculated and assessed by the Minister. Also, for the following reasons, I conclude that Mr. Gouriche did not earn any undeclared taxable income for the 2015 taxation year.

[ 160 ] Indeed, Mr. Gouriche has provided credible and reliable evidence regarding funds received as reimbursement for expenses incurred on behalf of certain members of the community, and therefore, certain adjustments to the Minister's calculation must be made. I also conclude that certain other adjustments must be made to the calculation of net worth.

[ 161 ] Furthermore, I conclude that the Minister has met his burden of reassessing the 2013 and 2014 taxation years outside the normal reassessment period under subparagraph 152(4)(a)(i) and imposing penalties under subsection 163(2) for those same taxation years. However, I conclude that the Minister has not met his burden of reassessing the 2015 taxation year outside the normal reassessment period under subparagraph 152(4)(a)(i) and imposing penalties under subsection 163(2) for the 2015 taxation year.

## **B. Review of the method used for establishing new assessments on appeal**

[ 162 ] As indicated in the Joint Statement of Facts (Partial), the issues in dispute regarding the reassessment using the net worth method in these appeals are limited to certain elements, which I will analyze below. In addition, I will analyze other elements discussed at the hearing.

**(1) The Residence**

[ 163 ] The purchase cost of the Residence, totaling \$228,000, was included in the asset calculation for the purposes of net worth for all years in the box, including the reference year. This house was acquired in 2005 by Mr. Gouriche, and he owned it throughout the audit period (Joint Schedule, Tab 6).

[ 164 ] Because this amount was included each year, this element did not increase the income calculated using the net worth method. Thus, during the hearing, Mr. Gouriche agreed that this issue was no longer in dispute.

**(2) Unrecorded advances of 9263 totaling \$7,000 in 2014 and \$7,000 in 2015 (asset calculation)**

[ 165 ] In calculating the assets for the purposes of net worth, an amount of \$7,000 was added as "advances" to 9263 not recorded for 2014 and 2015. These amounts represent payments made by Mr. Gouriche on behalf of 9263 for various services rendered by third parties for the benefit of 9263 and for the repayment of a debt owed by 9263.

[ 166 ] Mr. Gouriche testified that the sums in question probably came from Morocco (Exhibit I-1, Respondent's Book of Documents, Tab 3, p. 11).

[ 167 ] The evidence provided by Mr. Gouriche does not meet the balance of probabilities standard, since he has not provided clear and detailed evidence justifying the source of the funds. I consider that this amount was correctly included in the calculation of Mr. Gouriche's assets for the years in question.

**(3) The common shares of 9285-9859 Québec inc. (also known as Technikad Analytique) in 2013 totaling \$15,000 (asset calculation)**

[ 168 ] As a result of Mr. El Kadaoui's testimony, and in view of the \$10,000 concession made by the respondent for the 2015 taxation year with respect to the common shares of 9285-9859 Québec inc., Mr. Gouriche indicated that he no longer contested the treatment of this asset in the calculation of net worth.

**(4) The Laurentian Bank (LBC) Distinction Line of Credit (#608) totaling \$216,908.55**

[ 169 ] The Laurentian Bank (LBC) Distinction Line of Credit (#608), totaling \$216,908.55 as of December 31, 2014, was included in the liability calculation for the purposes of net equity for 2014. The statements filed as evidence indicate that this amount represented the amount owing on the line of credit as of December 31, 2014 (Exhibit I-1, Respondent's File Book, Tab 8, pp. 66-68). Also, the balance

owing as of December 31, 2015, is \$180,316 and was indeed included as a liability in the net equity calculation (Exhibit I-1, Respondent's File Book, Tab 8, p. 85).

[ 170 ] Thus, during the hearing, Mr. Gouriche agreed that this issue was no longer in dispute.

**(5) Unexplained withdrawals – advances from MG Global totaling \$20,400 in 2013 and \$42,783.98 in 2015**

[ 171 ] With respect to the unexplained withdrawals from MG Global's "advances" account totaling \$20,400 in 2013 and \$42,783.98 in 2015, Mr. Raymond testified that he had not traced any corresponding deposits in Mr. Gouriche's bank accounts. Accordingly, Mr. Raymond made a positive adjustment equivalent to these amounts in the calculation of net worth. These amounts are recorded as debits to the "advances" account (Exhibit I-1, Respondent's File Book, Tab 4).

[ 172 ] Mr. Raymond indicated, however, that these amounts may have been taken into account twice, but that without proof of the corresponding deposits in the bank accounts, he had to make a positive adjustment in the calculation of net worth (Exhibit I-1, Respondent's File Book, Tab 5, p. 39).

[ 173 ] Regarding these withdrawals from MG Global's "advances" account, Mr. Gouriche explained that he sometimes paid brokers in cash. Furthermore, Mr. Gouriche filed a series of seven checks issued to brokers in payment of their commissions (Exhibit A-16). However, the amounts on these checks do not correspond to the amounts in question.

[ 174 ] The evidence showed that the unexplained withdrawals from MG Global's "advances" account were recorded in MG Global's "advances" account and had the effect of increasing the amount owed by Mr. Gouriche to the company. Indeed, MG Global is a creditor of Mr. Gouriche. By proceeding as Mr. Raymond did, that is, by making a positive adjustment in the calculation of net worth, the debt owed by Mr. Gouriche to MG Global is reduced accordingly. Thus, adding these amounts to the calculation of net worth results in a distorted picture of Mr. Gouriche's assets. Mr. Raymond explained that he made this adjustment to balance the calculation of net worth since he had not found corresponding deposits in Mr. Gouriche's bank accounts. However, I note that unexplained deposits into Mr. Gouriche's bank accounts totaled \$32,648 in 2013 and \$21,971 in 2015, and that unexplained advances totaled \$52,037 in 2013 and \$27,571 in 2015. I also understand from Mr. Raymond's testimony that it is possible these amounts were double-counted.

[ 175 ] Mr. Raymond has not convinced me, on the balance of probabilities, that a positive adjustment should be made in the calculation of net worth with respect to the amounts representing unexplained withdrawals from MG Global's "advances"

account totaling \$20,400 in 2013 and \$42,783.98 in 2015. Therefore, I conclude that these amounts should not be considered a positive adjustment in the calculation of net worth and should be deducted from it. If the positive adjustments made by Mr. Raymond are not reversed, Mr. Gouriche's financial picture would be distorted. Furthermore, I consider, on the balance of probabilities, that these amounts have been double-counted. For these reasons, I therefore conclude that an adjustment by way of deduction must be made in the calculation of net worth in the amount of \$20,400 in 2013 and \$42,783.98 in 2015.

**(6) Other elements of the net worth method**

***(a) The "advances" account of 9263***

[ 176 ] As previously stated, as part of his audit, Mr. Raymond requested details of the "advances" account for 9263 from the accountant, without success. Mr. Gouriche then reconstructed this account to the best of his knowledge and provided him with the requested information, based on his bank statements.

[ 177 ] According to the analysis of the 9263 "advances" account , Mr. Raymond found discrepancies between the information provided by Mr. Gouriche and the information shown in the company's financial statements.

[ 178 ] Thus, Mr. Raymond made positive adjustments totaling \$10,414 and \$29,656 as of April 30, 2013 and April 30, 2014 respectively in the calculation of the "advances" account of 9263, increasing the amounts owed by the company to Mr. Gouriche, these amounts representing the differences found between the information provided by Mr. Gouriche and that shown in the financial statements of 9263. Mr. Raymond, however, reduced the "advances" account of 9263 by an amount of \$1,036 as of April 30, 2015 (Exhibit I-1, Respondent's File Book, Tab 3).

[ 179 ] Mr. Raymond has not convinced me, on the balance of probabilities, that the treatment of the discrepancies found between the information provided by Mr. Gouriche and the information contained in the financial statements was correct. The evidence has shown that Mr. Gouriche provided all the information necessary for Mr. Raymond to reconstruct the "advances" account for 9263 based on the various bank statements. As Mr. Raymond indicated, this reconstruction was based on net amounts, since some transactions are necessarily missing. However, I am not convinced that the adjustments made by Mr. Raymond should be attributed to Mr. Gouriche, as the evidence has shown that 9263 had four shareholders. For these reasons, I therefore conclude that an adjustment by way of deduction must be made in the calculation of net worth in the amount of \$10,414 in 2013 and \$29,656 in 2014.

**(b) Sums paid by Mr. Gouriche and reimbursed by the Fadhil family and the family of Mr. Taya, as well as by Mr. Aboufirassi, Mr. Brouk and Mr. Abderrazeq Eddahir**

**(i) The Fadhil family**

Mr.

[ 180 ] Fadhil 's testimony was credible and reliable. He told the Court that Mr. Gouriche acted as an intermediary between service providers for work on his family's residence and his parents. Mr. Fadhil testified that Mr. Gouriche likely received reimbursements for bills he paid on behalf of his parents, but was not paid for his services.

At the hearing, four copies of checks issued by Ms.

[ 181 ] Fadhil 's parents in the name of Mr. Gouriche were filed in a bundle under Exhibit A-6 (with the reverse side showing the deposit) (check dated June 20, 2014 for \$1,602; check dated October 17, 2013 for \$556; check dated March 17, 2014 for \$1,390; check dated April 22, 2014 for \$2,970).

[ 182 ] Mr. Raymond has already made an adjustment in the calculation of net worth by deducting a corresponding amount in 2013 (\$556) and 2014 (\$5,962).

[ 183 ] However, Mr. Raymond did not accept that the cash deposits totaling \$900 in 2013 and \$4,400 in 2014 represented reimbursements of expenses paid by Mr. Gouriche for Ms. Fadhil's family ' and did not make negative adjustments in the calculation of net worth (Exhibit I-1, Respondent's File Book, Tab 5, p. 49).

[ 184 ] In view of Mr. Fadhil's testimony ' I conclude that, on the balance of probabilities, these deposits represent reimbursements of expenses paid by Mr. Gouriche for Mr. Fadhil's family ' and an adjustment as a deduction in the calculation of net worth should be made in this regard for an amount of \$900 in 2013 and \$4,400 in 2014.

Also, in view of Mr.

[ 185 ] Fadhil 's testimony, I conclude that additional adjustments by way of deduction in the calculation of net worth in the amounts of \$1,573.36 in 2013 (Exhibit A-4: Payment receipt made to the University of Montreal) and \$617.31 in 2014 (Exhibit A-5: Payment receipt made to McGill University) must be made, in addition to the adjustment of \$2,800 already made for 2015 (Exhibit I-1, Respondent's File Book, Tab 6). Indeed, these amounts represent expenses incurred

Fadhil

by Mr. Gouriche for the benefit of Mr. , and must therefore be deducted in the calculation of net worth.

**(ii) Mr. Taya's family**

[ 186 ] Mr. Taya's testimony was brief but credible. He indicated that Mr. Gouriche had acted as guarantor for his lease, and that he had lent him \$800 in 2015, a sum that was repaid by his parents when Mr. Gouriche went to Morocco.

[ 187 ] Mr. Raymond classified the sum of \$800 as an asset of Mr. Gouriche (Exhibit I-1, Respondent's File Book, Tab 3, p. 15).

[ 188 ] In view of Mr. Taya's testimony, I conclude that, on the balance of probabilities, Mr. Gouriche was reimbursed by Mr. Taya's parents and that an adjustment by way of deduction in the amount of \$800 must be made in the calculation of net worth for the year 2015.

**(iii) Mr. Aboufirassi**

[ 189 ] In calculating the net worth for taxation years 2013, 2014 and 2015, Mr. Raymond included a loan made by Mr. Gouriche to Mr. Aboufirassi of \$2,068 (Exhibit I-1, Respondent's File Book, Tab 3, p. 12).

[ 190 ] Not having identified any repayments in Mr. Gouriche's bank accounts, no adjustment was made by Mr. Raymond in the calculation of the net asset for this loan.

[ 191 ] Mr. Gouriche filed Mr. Aboufirassi's affidavit as Exhibit A-10, confirming that in 2013, Mr. Gouriche allegedly made a loan of \$2,000 to Mr. Aboufirassi's family who were in Montreal, and that this sum was allegedly repaid to Mr. Gouriche during his visit to Morocco.

[ 192 ] On the balance of probabilities, I accept that, in accordance with Mr. Aboufirassi's declaration on honour, the \$2,000 loan was repaid to Mr. Gouriche during the year 2013. Thus, a reduction in net worth must be made for all relevant tax years, namely 2013, 2014 and 2015.

**(iv) Mr. Brouk**

[ 193 ] According to Mr. Gouriche, as indicated in the solemn oath of Ilias Brouk dated January 28, 2026 (Exhibit A-11), he lent money to Mr. Brouk when the latter was a student in Montreal, namely \$5,020 in 2013, \$2,100 in 2014 and \$216.93 in 2015, and Mr. Brouk's family repaid him during his trips to Morocco.

[ 194 ] According to Mr. Raymond, Mr. Gouriche only paid \$3,000 on behalf of Mr. Brouk, but received reimbursements totaling \$7,336.93 (Exhibit I-1, Respondent's File Book, Tab 5, p. 47). Mr. Raymond indicated that since the debits were much less than the reimbursements, he made no adjustment in the net worth calculation. Mr. Raymond also indicated that if he had accepted the evidence presented by Mr. Gouriche, he would have adjusted the net worth calculation by reducing all credit amounts by \$7,336.93 (\$216.95 in 2015; \$2,100 in 2014; and \$5,020 in 2013).

[ 195 ] In view of the evidence presented at the hearing, I accept, on the balance of probabilities, that Mr. Gouriche loaned a total of \$7,336.93 to Mr. Brouk and that this amount was repaid to Mr. Gouriche during the years 2013, 2014 and 2015. Thus, an adjustment must be made to reduce the net worth by the following amounts: in 2013: \$5,020; in 2014: \$2,100 and in 2015: \$216.95.

**(v) Mr. Abderrazeq Eddahir**

[ 196 ] According to Mr. Gouriche, as stated in Mr. Abderrazeq Eddahir's affidavit of oath dated February 3, 2026 (Exhibit A-12), he provided various services to members of the Moroccan community and paid Mr. Abderrazeq Eddahir's bills over the years. In 2013, these bills totaled \$1,640; in 2014, the bills totaled \$556.18; and in 2015, the bills totaled \$2,754.98. Mr. Abderrazeq Eddahir reimbursed Mr. Gouriche through various bank transfers.

[ 197 ] To corroborate his testimony, Mr. Gouriche submitted Exhibit A-13, a collection notice from Revenu Québec addressed to Mr. Abderrazeq Eddahir, 13206517.

referring to his file number Mr. Gouriche also submitted a bundle of four cheques dated 2015, each for \$1,343.06, made payable to Revenu Québec and drawn from his bank account, and referencing Mr. Abderrazeq Eddahir's file number (Exhibit A-14). These cheques made payable to Revenu Québec totaled \$5,372.24 in 2015.

[ 198 ] Mr. Gouriche also filed as evidence exhibit A-17, which is a letter from Revenu Québec dated August 15, 2013, proposing to assess Mr. Abderrazeq Eddahir for amounts of \$4,200 in QST and \$2,700 in GST.

[ 199 ] As Mr. Raymond indicated, a reduction of \$8,000 was made in the adjustments to net worth to take account of repayments totaling \$8,000 made by Mr. Abderrazeq Eddahir to Mr. Gouriche (Exhibit I-1, Respondent's File Book, Tab 5, p. 35).

[ 200 ] However, Mr. Raymond did not accept that the sums totaling \$4,948.14 paid by Mr. Abderrazeq Eddahir to Mr. Gouriche by bank transfers during the years 2013 to 2015 be applied to reduce the net worth, since Mr. Gouriche only showed him a

single cheque made out to Revenu Québec on January 24, 2013, for \$1,553.74. These transfers totaled \$1,640 in 2013, \$556.18 in 2014, and \$2,751.96 in 2015.

[ 201 ] In view of the evidence presented by Mr. Gouriche, I conclude, on the balance of probabilities, that the amounts paid by Mr. Abderrazeq Eddahir are reimbursements made to Mr. Gouriche. Therefore, downward adjustments to the calculation of net worth must be made in the amount of \$1,640 in 2013, \$556.18 in 2014, and \$2,751.96 in 2015.

**(c) *Funds from Morocco: inheritance (500,000 DH), sale of an apartment (300,000 DH) and repayment of a debt (280,000 DH)***

[ 202 ] Regarding the funds from the estate of Mr. Gouriche's brother, from the sale of an apartment and from the repayment of a debt owed by Mr. Gouriche's brother-in-law, the evidence has shown, on the balance of probabilities, that Mr. Gouriche did indeed receive sums from Morocco during the years 2012 to 2015.

[ 203 ] This demonstration is established by the documents filed as evidence in the Joint Notebook (tabs 7, 8, 9, 11, 12, 13 and 14) as well as by the Affidavits (exhibits A-7, A-8 and A-9) which I have accepted to be filed as evidence, as well as the testimony of Mr. Gouriche.

[ 204 ] When considering the credibility of a witness, I may take into account inconsistencies, the witness's attitude and behaviour, the witness's motives for giving false testimony, and the overall nature of the evidence. In *Nichols v. The Queen*, 2009 ICC 334 (at para. 23), the Court stated:

[23] In matters of credibility, I may consider inconsistencies or weaknesses in the witnesses' testimony, including internal inconsistencies (if the testimony changes while the witness is on the stand or if it differs from the testimony given at the examination for discovery), contradictory prior statements, and external inconsistencies (that is, when the testimony is inconsistent with independent evidence that I have accepted). I may then consider the witness's attitude and conduct. Third, I may examine whether the witness has reasons to give false testimony or to mislead the Court. Finally, I may consider the overall substance of the evidence. That is to say, I have full discretion to determine whether an examination of the testimony in the light of common sense suggests that the facts presented are impossible or highly improbable.

[ 205 ] Overall, I find Mr. Gouriche's testimony credible. Given the credibility of Mr. Gouriche's testimony, which was corroborated by various documents produced as evidence at trial, I conclude that Mr. Gouriche successfully demonstrated that he received funds from Morocco between 2012 and 2015. Although Mr. Gouriche did not disclose the receipt of these funds to Mr. Raymond, I accept Mr. Gouriche's explanation for his omission, namely that since the funds were received in Morocco, it was not relevant for the purposes of the audit. However, I note that Mr. Gouriche

did disclose the receipt of these funds to the opposition officer, Mr. Benyahia. The documents included in the Joint Submission Book are those that were produced to Mr. Benyahia.

[ 206 ] According to the respondent, although some evidence shows that Mr. Gouriche is a creditor of Mr. Barrad, that he received an inheritance, and that he sold an apartment to his sister Nadia, the issue is to determine (i) whether Mr. Gouriche received this money and the amount actually received; and (ii) whether the funds were used in Canada to support his cost of living and to justify the injection of funds into the companies between 2013 and 2015. The respondent also argues that Mr. Gouriche was required to keep records of the use of the funds received from Morocco, and in the absence of records or any other documentary evidence, the Court cannot make any adjustment to the calculation of net worth.

[ 207 ] For the following reasons, no adjustment will be made in the calculation of net worth for the funds that Mr. Gouriche claims to have repatriated from Morocco to Canada with respect to the transactions described above. Mr. Gouriche has failed to demonstrate, on the balance of probabilities, that he actually repatriated the funds to Canada and that he used the funds to support his cost of living and to inject capital into the companies.

[ 208 ] First, regarding the debt of 280,000 DH owed by Mr. Gouriche's brother-in-law, I am not convinced that Mr. Barrad has repaid his debt. Furthermore, I have no proof of the amounts repaid, if indeed that is the case.

[ 209 ] Mr. Gouriche indicated that he had received reimbursement of the sum of 280,000 DH owed by his brother-in-law, Mr. Barrad, over a period spanning from 2013 to 2015.

[ 210 ] According to Mr. Barrad's solemn oath dated February 2, 2026 (Exhibit A-8), Mr. Barrad confirms having received the sum of 280,000 DH from Mr. Gouriche in 2005, and confirms the registration of the mortgage on his property and the repayment of this loan by installments during the years 2013 to 2015.

[ 211 ] The Joint Notebook (tab 7) also contains an acknowledgment of debt totaling 280,000 DH signed by Mr. Barrad in favor of Mr. Gouriche. Mr. Barrad stated that Mr. Gouriche had lent him this sum in 2005 to enable him to purchase an apartment. Also, according to tab 8 of the Joint Notebook, a Moroccan court order dated February 11, 2011, orders Mr. Barrad to repay the 280,000 DH owed to Mr. Gouriche. According to the document produced under tab 13 of the Joint Notebook, the precautionary attachment registered on April 27, 2011, against the property owned by Mr. Barrad had still not been cancelled as of June 2021. Mr. Gouriche indicated that he needed to hire lawyers to have this done and that nothing had been done to date.

[ 212 ] Although I am convinced of the existence of this debt, as demonstrated by the documentary evidence filed at the hearing (Exhibit A-8 and tabs 7, 8, and 13 of the Joint Record), Mr. Gouriche has not demonstrated that he received repayment of this

2021  
debt. To conclude, I note that as of June 1, 2021, Mr. Gouriche is still listed as the beneficiary of a precautionary attachment on the titles to a property held by Mr. Barrad as security for a loan of 280,000 DH owed by Mr. Barrad (Joint Record, tab 13). I am not convinced by Mr. Gouriche's explanation for the existence of this charge in June 2021, namely that he had not had this charge removed even though Mr. Barrad had repaid the sums owed, since he would have had to incur legal fees to do so.

[ 213 ] Furthermore, even if I had accepted Mr. Gouriche's explanations regarding why the charge in favour of Mr. Gouriche was still registered against Mr. Barrad's property as of 1 June 2021, the evidence is silent on the following points:

- (i) the amounts that would have actually been reimbursed by Mr Barrad;
- (ii) the dates of reimbursements, if applicable;
- (iii) the extent to which the funds were repatriated to Canada and the timing of the repatriation of the funds to Canada, if applicable; and
- (iv) the use of these funds in Canada to support Mr. Gouriche's cost of living or to inject funds into companies.

[ 214 ] For these reasons, no adjustment will be made to the calculation of net worth to take account of the debt owed by Mr. Barrad.

[ 215 ] Regarding the sums from the sale of an apartment to his sister (Ms. Nadia Gouriche) in April 2016, Mr. Gouriche stated that his sister made payments totaling 300,000 DH as an advance on the purchase price during the period preceding the sale, and more specifically during the period from 2011 to 2016. Mr. Gouriche filed exhibit A-9, which is Ms. Gouriche's sworn statement dated January 22, 2016, confirming that she purchased the apartment in 2016 and that she paid the sum of 300,000 DH in cash as an advance, paid over time from 2011 to 2016.

[ 216 ] Regarding the advances made by Mr. Gouriche's sister, I am convinced that such advances, totaling 300,000 DH, were made. Indeed, the documentary evidence submitted at the hearing, as well as Mr. Gouriche's testimony, demonstrated that Ms. Gouriche did in fact pay sums to Mr. Gouriche as advances on the purchase price of an apartment belonging to Mr. Gouriche in Morocco. The notarial deed dated April 20, 2016, between Ms. Gouriche and Mr. Gouriche indicates that the purchase price was paid in part by advances of 300,000 DH made by Ms. Gouriche directly to Mr.

Gouriche before April 20, 2016 (Joint Record, Tab 12). Furthermore, the notary confirmed that there had indeed been a sale of the apartment by Mr. Gouriche to his sister on April 20, 2016 for a total price of 650,000 DH, paid in full (Joint notebook, tab 14).

[ 217 ] The affidavit signed by Ms. Gouriche (Exhibit A-9) indicates that Ms. Gouriche paid this amount over time between 2011 and 2016. However, Mr. Gouriche indicated that his sister began making him advances in early 2012 to help finance the new triplex construction business operated by 9263. The dates do not match.

[ 218 ] Also, the evidence is silent on the following points:

(i) the dates on which the advances would have been made, except to indicate that the advances would have been made during the period from 2011 to 2016, or beginning in 2012;

(ii) details of the amounts paid each year;

(iii) the extent to which the funds were repatriated to Canada and the timing of the repatriation of the funds to Canada, if applicable; and

(iv) the use of these funds in Canada to support Mr. Gouriche's cost of living or to inject funds into companies.

[ 219 ] For these reasons, no adjustment will be made to the calculation of net worth to take account of the advances made to Mr. Gouriche by his sister.

[ 220 ] Finally, as regards the receipt of a share of an inheritance from the estate of one of his brothers, I am convinced, according to the preponderance of probabilities, that Mr. Gouriche received a share of this inheritance.

[ 221 ] Mr. Gouriche stated that although there were several siblings (7 in total), he received one-third of his brother Hassan's estate following a family decision, as he had helped his father and his deceased brother. Mr. Gouriche also explained that women do not receive the same share of inheritances as men under Moroccan law.

[ 222 ] However, the evidence did not establish the amounts allegedly paid or the dates of the payments to Mr. Gouriche. Furthermore, the evidence is once again silent as to the extent and timing of the repatriation of funds to Canada, if any, and whether these funds were used in Canada to support Mr. Gouriche's living expenses or to invest in companies.

[ 223 ] First, the donation contract produced under tab 9 of the Joint Register indicates that a donation of 500,000 DH was made by Mr. Miloud Gouriche to Mr. Gouriche, Miloud being one of Mr. Gouriche's brothers, and this document is dated February 23, 2012. However, the Sworn Declaration (Exhibit A-7) signed by Miloud Gouriche indicates that he donated a sum of 500,000 DH to Mr. Gouriche between 2012 and 2013.

[ 224 ] Furthermore, I note that Mr. Gouriche's brother, Hassan Gouriche, died on September 29, 2013 (Joint Register, Tab 11 – extract of death certificate). At the hearing, Mr. Gouriche testified that his brother Miloud was managing his brother Hassan's affairs and that Miloud had decided to distribute his brother Hassan's funds before his death, hence the donation. However, it seems highly unlikely to me that Hassan's funds were distributed before his death. Also, the payment dates indicated in the deed of gift and in the sworn affidavit do not match.

[ 225 ] For these reasons, no adjustment will be made to the calculation of net worth to take account of this inheritance.

[ 226 ] In addition, I also considered the following factors in refusing to make adjustments to the calculation of net worth with respect to the funds that Mr. Gouriche claims to have repatriated from Morocco to Canada during the period from 2012 to 2015, which total approximately \$160,000.

[ 227 ] First, Mr. Gouriche stated that he always brought back less than \$10,000 per trip to Canada to avoid having to declare these sums to Canadian authorities upon his return. In fact, Mr. Gouriche testified that he brought back approximately \$5,000 or \$6,000 each time he returned to Canada. Based on this testimony, Mr. Gouriche would have made 26 trips to Morocco between 2012 and 2015, whereas his passport indicates that he made approximately one or two trips per year to Morocco (Joint Notebook, Tab 15). If Mr. Gouriche did not repatriate these funds himself, it would have been relatives (his sisters and nephew, who were residing in the United States at the time) or friends who repatriated them. I consider it highly unlikely that there were so many friends or relatives who would have repatriated so much money, considering that no evidence has been presented by Mr. Gouriche to corroborate this testimony.

[ 228 ] Also, I find it highly unlikely that Mr. Gouriche did not keep records of the funds he repatriated from Morocco, and of the use he made of them in Canada.

### C. Subparagraph 152(4)(a)(i): Establishment of new assessments outside the normal reassessment period

[ 229 ] The relevant extract from the [Act](#) is reproduced below:

**152(4)** The Minister may make an assessment, reassessment or additional assessment in respect of tax for a taxation year, and any interest or penalties payable by a taxpayer under this Part [...]. Such an assessment may not be made after the expiry of the normal reassessment period applicable to the taxpayer for the year except in the following cases:

a) the taxpayer or the person filing the return:

(i) has made a false presentation of the facts, through negligence, inattention or willful omission, or has committed any fraud in filing the statement or providing any information under this Act,

[Our emphasis.]

**152(4)** The Minister may at any time make an assessment, reassessment or additional assessment of tax for a taxation year, interest or penalties, if any, payable under this Part by a taxpayer or notify in writing any person by whom a return of income for a taxation year has been filed that no tax is payable for the year, except that an assessment, reassessment or additional assessment may be made after the taxpayer's normal reassessment period in respect of the year only if

(a) the taxpayer or person filing the return

(i) has made any misrepresentation that is attributable to neglect, carelessness or wilful default or has committed any fraud in filing the return or in supplying any information under this Act, or

[Emphasis added.]

[ 230 ] The Minister is responsible for establishing, on the balance of probabilities, the facts justifying the establishment of new contributions after the expiry of the normal period for new contributions.

[ 231 ] The respondent must therefore demonstrate, on the balance of probabilities, that Mr. Gouriche misrepresented the facts in filing his income tax returns and that this misrepresentation was made through negligence, inattention or willful omission, or is attributable to some fraud.

[ 232 ] In this case, the respondent takes the position that Mr. Gouriche misrepresented the facts by negligently filing his income tax returns. The respondent did not raise any issues of inattention, willful omission, or fraud.

[ 233 ] In order to make this determination, the Court must assess all the evidence admitted during the hearing (see *Vine (Succession) v. Canada* , [2015 FCA 125](#) , paras. [24–25](#) [ *Vine (Succession)* ]).

[ 234 ] In accordance with applicable case law, an incorrect statement in an income tax return is equivalent to a misrepresentation of the facts, "at least one element that is material for the purposes of the return and of any subsequent reassessment" ( *Nesbitt v. Canada* , [1996 CanLII 11569 \(CAF\)](#) , [1996] ACF No. <sup>1470</sup> (QL), 96 DTC 6588; cited with approval in *Vine (Estate)* ).

[ 235 ] Furthermore, in the same decision, the Court established that an incorrect statement remains a misrepresentation of the facts even if the Minister could find the error in the income tax return, after a careful analysis of the supporting material.

[ 236 ] The Court has also established that the threshold for establishing what constitutes a misrepresentation of the facts is low ( *Fuhr v. The King* , [2024 TCC 43 \(CanLII\)](#) , 2024 ICC 43, para. [21](#) , citing *MF Electric Incorporated v. The King* , [2023 ICC 60](#) ).

[ 237 ] As recently reiterated by the Federal Court of Appeal in *Canada v. Paletta (Estate)* , [2022 FCA 86](#) , the negligence referred to in subparagraph 152(4)(a)(i) corresponds to a lack of due diligence:

[65] The negligence referred to in subparagraph 152(4)(a)(i) refers to a lack of due diligence. A taxpayer fulfills their duty of due diligence when, "after careful and thoughtful consideration of the circumstances, they assess them and file a return in the manner they believe in good faith to be appropriate," or, in other words, when they file their return "in a manner the taxpayer genuinely believes to be appropriate" ( *Regina Shoppers Mall Ltd. v. Canada* , [1990 CanLII 13603 \(FC\)](#) , [1990] 2 CTC 183, 90 DTC 6427 (FC 1st <sup>Inst</sup> ); confirmed by *Regina Shoppers Mall Ltd. v. Canada* , [1991] ACF No. <sup>52</sup> (QL) (CAF) ; see also *Canada v. Johnson* , [2012 CAF 253](#) , [2012] ACF No. <sup>1249</sup> (QL)). The parties agree with this standard. Our Court can also infer that there was negligence by the taxpayer's failure to verify the validity of his certainties ( *Robertson v. Canada* , [2016 FCA 303](#) , [2016] FCA No. <sup>1338</sup> (QL), paras. [5 and 6](#) ).

[ 238 ] For the reasons that follow, I am of the opinion that Mr. Gouriche misrepresented the facts, through negligence, in filing his income tax returns for the 2013 and 2014 taxation years, which constitutes a lack of due diligence for the purposes of subparagraph 152(4)(a)(i).

[ 239 ] Indeed, there is still a discrepancy between the income he declared for those years and the income established using the net worth method. Although this method

is imperfect, the explanations provided by Mr. Gouriche for the discrepancy do not fully justify it.

[ 240 ] In reaching this conclusion, I have taken into account the evidence presented at the hearing demonstrating that Mr. Gouriche is a sophisticated individual, given his past professional experience, and that he had control of the various bank accounts, including those of the companies, during the period in question. Furthermore, Mr. Gouriche failed to keep records for the repatriation of funds from abroad.

[ 241 ] With respect to the 2015 taxation year, I am of the opinion that the Minister has not discharged his burden of proof in reassessing the tax return outside the normal reassessment period, since the adjustments to the net worth calculation accepted by the Court reduce the difference between the income reported by Mr. Gouriche and the difference calculated using the net worth method to zero. Therefore, Mr. Gouriche's negligence has not been proven, on a balance of probabilities.

#### **D. Penalties under subsection 163(2)**

[ 242 ] Subsection 163(2) imposes a penalty on any person who knowingly or in circumstances amounting to gross negligence makes, participates in, consents to or acquiesces in, any false statement or omission in any declaration, form, certificate, statement or response.

[ 243 ] The burden of establishing the facts that justify the imposition of the penalty rests on the Minister and not on the appellant (s. 163(3)).

[ 244 ] The relevant part of subsection 163(2) reads as follows:

**163(2)** Every person who knowingly or in circumstances amounting to gross negligence makes, participates in, consents to or acquiesces in, any statement, form, certificate, statement or response (referred to as a "statement" in this section) completed, filed or submitted, as the case may be, for a taxation year for the purposes of this Act, is liable to a penalty equal to, but not less than, \$100, 50% of the total of the following amounts....

**163(2)** Every person who, knowingly, or under circumstances amounting to gross negligence, has made or has participated in, assented to or acquiesced in the making of, a false statement or omission in a return, form, certificate, statement or response (in this section referred to as a "return") filed or made in respect of a taxation year for the purposes of this Act, is liable to a penalty of the greater of \$100 and 50% of the total of ...

[ 245 ] For all the relevant taxation years, the Minister imposed penalties under subsection 163(2). According to the auditor, Mr. Gouriche knew or should have known that his reported income was insufficient to maintain his cost of living (including the capital injections into the corporations). However, at the hearing, the respondent argued that Mr. Gouriche's gross negligence justified the imposition of penalties under subsection 163(2). Therefore, I will only address the issue of gross negligence here.

[ 246 ] According to the wording of subsection 163(2), two elements must be present for the penalty provided for in that subsection to apply: (i) a mental element: "knowingly or in circumstances amounting to gross negligence" ; (ii) a material element: "makes a false statement or omission" .

[ 247 ] It has been established that Mr. Gouriche filed his income tax returns for the taxation years that are the subject of the appeals; thus, the material element is present in this case ( *D'Andrea v. The Queen* , 2011 TCC 298 , para. 36 ). But what about the mental element? Did Mr. Gouriche make a false statement or an omission in circumstances amounting to gross negligence?

[ 248 ] In *Wynter v. The Queen* , 2017 FCA 195 [ *Wynter* ], a unanimous decision of the Federal Court of Appeal, the Court ruled on the criteria related to the words "knowingly" and "gross negligence" in subsection 163(2):

[11] When the legislature uses other terms, it is presumed to have intended to give those terms different meanings. In other words, the legislature does not repeat itself:

see Ruth Sullivan, *Statutory Interpretation* , 3rd<sup>ed</sup> . (Toronto: Irwin Law Inc., 2016), at p. 43. Section 163 permits the imposition of penalties in cases where the taxpayer has knowledge of the facts *or* in circumstances amounting to gross negligence. The section is not conjunctive, and these two terms are presumed to have different meanings and scopes.

[12] The distinction between gross negligence—established by an objective assessment of the taxpayer's conduct—and willful ignorance (also called "willful blindness")—established by reference to the taxpayer's subjective state of mind—is not new. It is true that this distinction is sometimes subtle and not always clearly defined. Nevertheless, the legislature is presumed to have been aware of this distinction.

[Italics in the original. Our emphasis.]

[ 249 ] As the Federal Court of Appeals stated in *Wynter* (para. 18 ), gross negligence occurs when the taxpayer's conduct is found to be clearly inferior to what would be expected of a reasonable taxpayer.

[ 250 ] Furthermore, as the Supreme Court of Canada indicated in *Guindon v. Canada* , 2015 SCC 41 , at paragraph 61 , the penalties "[...] are intended to punish

serious conduct, not ordinary negligence or simple error on the part of the statements specialist or planner .

[ 251 ] The concept of "gross negligence" was defined by Strayer J. in *Venne v. The Queen* , 1984 CanLII 5717 (FC) , [1984] ACF No. 314 (QL) (CF 1st Inst .) [ *Venne* ]:

[...] "Gross negligence" must be interpreted as a case of negligence more serious than a simple lack of reasonable care. There must be a significant degree of negligence amounting to a deliberate act, an indifference to compliance with the law. [...]

[Our emphasis.]

[ 252 ] Thus, the “gross negligence” test is an objective one ( *Wynter* decision , at para. 21 ). Gross negligence will be assessed by taking into account the conduct expected of a reasonable person in the same circumstances.

[ 253 ] Therefore, in this case, Mr. Gouriche's expected conduct must be measured against that of a reasonable taxpayer with business experience. Although Mr. Gouriche claims his education is primarily in the humanities, having been a teacher in Morocco (early childhood education) and having studied linguistics upon arriving in Quebec, the evidence also demonstrates that he has been involved in business since 2005. In fact, in 2005, he took a course of several weeks offered by the franchisor Subway when it acquired the Subway franchise. Furthermore, the evidence shows that Mr. Gouriche continued to be involved in various business ventures in the following years, although these were not successful.

[ 254 ] In this case, I find that Mr. Gouriche's conduct deviated markedly and substantially from the standard of conduct expected of a reasonable businessman in the same circumstances. I consider that Mr. Gouriche demonstrated gross negligence in his business affairs by failing to maintain proper books and records for his business. Although the evidence showed that every three months, Mr. Gouriche provided his accountant with all bank statements and invoices so that his accountant could remit GST/QST and maintain the company's books and records, it is clear that Mr. Gouriche was providing the information to his accountant. Mr. Gouriche has not provided any viable and reasonable assumptions regarding the amounts of unreported income in 2013 and 2014 ( *Lacroix* , at para. 29 ). Therefore, for all these reasons, on the balance of probabilities, the Court concludes that the respondent has discharged his burden of proving that Mr. Gouriche made false statements by filing his income tax returns in circumstances amounting to gross negligence for the 2013 and 2014 taxation years. The penalties under subsection 163(2) are therefore maintained for these taxation years but must be reduced to reflect the adjustments the Court made in calculating net worth for those years.

[ 255 ] However, on the balance of probabilities, the Court concludes that the Respondent has not discharged his burden of proving that Mr. Gouriche made false statements in filing his income tax return in circumstances amounting to gross negligence for the 2015 taxation year, given the adjustments made to the calculation of net worth which resulted in Mr. Gouriche's unreported taxable income being established as nil. Indeed, Mr. Gouriche provided viable and reasonable assumptions regarding the amounts of unreported income in 2015 ( *Lacroix* , at para. 29 ).

Signed this 28th<sup>day</sup> of April 2026.

“Dominique Lafleur”

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Judge Lafleur

**APPENDIX A**

2022-979(IT)G

**COUR CANADIENNE DE L'IMPÔT**

ENTRE :

**BOUCHAIB GOURICHE**

Appelant

et

**SA MAJESTÉ LE ROI**

Intimé

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**EXPOSÉ CONJOINT DES FAITS (PARTIEL)**

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Les parties s'entendent sur les faits suivants aux seules fins du présent appel et sans préjudice à leur droit de faire la démonstration, lors de l'audience de cet appel, de faits supplémentaires qui ne sont pas incompatibles avec les faits mentionnés dans la présente.

1. L'appelant réside au 610 rue Verdure, à Brossard, dans la province du Québec J4W 1R3. L'appelant a acquis cette maison en 2005 pour la somme de 228 000\$.
2. L'appelant est courtier immobilier.
3. L'appelant est l'un des actionnaires et l'un des administrateurs de la société 9263-2702 Québec inc., une société qui exploite une entreprise de construction et de vente immobilière.
4. L'appelant est l'un des actionnaires de la société 9314-9649 Québec inc. qui exploite un laboratoire médical.
5. L'appelant est l'unique actionnaire de la société MG Global Investissements inc., une société de courtage immobilier par laquelle il exerce ses activités de courtier immobilier.

6. L'appelant a été actionnaire de la société 9285-9859 Québec inc. qui exploite un laboratoire pharmaceutique. L'appelant a vendu ses actions de la société à un moment donné dans l'année d'imposition 2014.
7. Au cours des années d'imposition en litige, l'appelant a déclaré les revenus suivants :

Année d'imposition	Revenu total déclaré
2013	10 802 \$
2014	29 433 \$
2015	27 034 \$

8. L'Agence du revenu du Canada (ARC) a procédé à la vérification des années d'imposition 2013, 2014 et 2015 de l'appelant. Dans le cadre de cette vérification, le ministre du Revenu national (Ministre) a conclu que l'appelant n'avait pas déclaré l'ensemble de ses revenus en se basant sur la méthode de l'« avoir net ».
9. Le Ministre a ajouté au revenu total de l'appelant les montants suivants :

Année d'imposition	Revenu total déclaré
2013	98 686 \$
2014	197 295 \$
2015	49 542 \$

10. Le Ministre a établi les nouvelles cotisations à l'extérieur de la période normale de nouvelle cotisation selon le paragraphe 152(4) de la *Loi de l'impôt sur le revenu (Loi)*.

11. En établissant ces nouvelles cotisations, le Ministre a imposé la pénalité pour faute lourde prévue au paragraphe 163(2) de la Loi.
12. Le 22 octobre 2019, l'appelant a transmis au Ministre des avis d'opposition à l'égard des nouvelles cotisations établies le 25 juillet 2019 pour les années d'imposition en litige.
13. Le 11 janvier 2022, le Ministre a confirmé la nouvelle cotisation à l'égard de l'année d'imposition 2015.
14. Le 28 février 2022, le Ministre a établi de nouvelles cotisations, réduisant le revenu additionnel de l'appelant aux montants suivants :

Année d'imposition	Revenu total déclaré
2013	84 686 \$
2014	163 717 \$

15. Les écarts aux revenus de l'appelant établis selon la méthode de l'« avoir net » présentement en litige sont les suivants :

Année d'imposition	Revenu total déclaré
2013	84 686 \$
2014	163 717 \$
2015	49 542 \$

16. Le bilan personnel de l'appelant pour les années en litige, comprenant des actifs, des passifs et des redressements a correctement été déterminé par l'ARC, à l'exception des éléments surlignés en jaune, qui sont toujours en litige, à savoir :

	2012	2013	2014	2015
<b>ACTIF</b>				
Argent en main	-	-	-	3 209,32
Fonds Investors Canadian	-	92,94	92,94	92,94
Compte chèque BNC (finissant par 3-02)	1 258,21	1 277,60	239,97	626,22
Compte quotidien BLC (finissant par 6 01)	(13,75)	(15,75)	(15,75)	638,36
REER transféré dans le compte BLC (finissant par 55-6)	4 480,95	-	-	-
REER BLC (finissant par 55-6)	0,52	17 415,33	17 415,33	21 495,45
Maison 610 rue Verdure	228 000,00	228 000,00	228 000,00	228 000,00
Toyota Matrix 2010	-	-	-	9 000,00
Actions ordinaires de 9263-2702 Québec Inc.	-	25,00	25,00	25,00
Avance de l'actionnaire de 9263-2702 Québec Inc.	115 386,72	59 400,72	89 056,72	68 020,72
Avance de l'actionnaire non comptabilisée de 9263-2702 Québec Inc.	-	2 000,00	7 000,00	7 000,00
Actions ordinaires de 9314-9649 Québec Inc.	-	-	-	100,00
Avance de l'actionnaire de 9314-9649 Québec Inc.	-	-	-	40 000,00
Avance de l'actionnaire non comptabilisée de 9314-9649 Québec Inc.	-	-	4 571,90	4 571,90
Actions ordinaires de MG Global Investissements Inc.	100,00	100,00	100,00	100,00

4

Avance de l'actionnaire non comptabilisée de MG Global Investissements Inc.	-	2 500,00	2 500,00	2 591,98
Actions ordinaires de 9285-9859 Québec Inc.	-	15 000,00	-	-
Avance de l'actionnaire de 9285-9859 Québec Inc.	-	12 500,00	12 500,00	-
Prêt à M. Taoufiq Aboufiras	-	2 068,06	2 068,06	2 068,06
Prêt à Automobile Plus Net	30 000,00	23 000,00	8 000,00	8 000,00
Transfert à M. Badr Fadhil	-	-	-	2 800,00
Transfert à Mme Othmane Taya	-	-	-	800,00
Transfert à M. Adnane El Androusse	-	-	-	335,00
Transfert à M. Berkaoui	-	-	-	250,00
<b>TOTAL ACTIF</b>	<b>379 212,65</b>	<b>363 363,90</b>	<b>371 556,39</b>	<b>399 724,95</b>

<b>PASSIF</b>				
Carte de crédit Visa BLC (finissant par 9101)	-	841,93	1 570,95	792,96
Carte de crédit MBNA (finissant par 7290)	1 213,16	1 996,77	-	-
Carte de crédit MBNA (finissant par 4436)	-	-	(81,86)	-
Carte de crédit Visa BRC (finissant par 5149)	4 349,49	18 094,49	3 355,81	6 526,33
Marge de crédit BNC (finissant par 0-96)	8 877,96	14 832,22	1,02	1,39
Marge de crédit distinction BLC (finissant par 6 02)	5 449,13	14 600,50	1 696,64	4 133,42

5

Marge de crédit distinction BLC (finissant par 6 08)	-	-	216 908,55	180 316,60
Marge de crédit distinction BLC (finissant par 6 09)	3 358,19	16 497,87	0,07	1,90
Hypothèque 610 rue Verdure	265 421,73	261 075,49	-	-
Prêt de Mme Maha Ouarar	-	-	-	(900,00)
Prêt de M. El Fattahi	-	5 000,00	7 000,00	7 000,00
Prêt de Mme Wijdane Gouriche	-	7 000,00	7 000,00	7 000,00
Prêt de M. Eddahir Hamid	47 000,00	5 000,00	5 000,00	5 000,00
Prêt de M. El Hadi Sabri	35 000,00	25 000,00	25 000,00	25 000,00
Prêt de M. Aziz Khaldoune	-	2 000,00	2 000,00	2 000,00
Prêt de M. Labdid	-	1 000,00	1 000,00	1 000,00
<b>TOTAL DU PASSIF</b>	<b>404 808,55</b>	<b>419 471,01</b>	<b>297 573,64</b>	<b>338 056,30</b>

#### REDRESSEMENTS

##### Additions

Dépenses personnelles	84 425,45	84 005,10	59 761,51
Retraits inexpliqués	13 096,67	-	-
Retraits inexpliqués - avance 9263-2702 Québec Inc.	26 500,00	-	1 036,00
Retraits inexpliqués - avance MG Global Investissement Inc.	20 400,00	-	42 783,98
Majoration de dividendes	0,68	523,68	577,68
<b>Total des additions</b>	<b>144 422,80</b>	<b>84 528,78</b>	<b>104 159,17</b>

6


##### Déductions

Sommes provenant du Maroc	-	-	-
Ajustements REER - Intérêts non imposable	8,86	2,22	1 077,90
Paiement de carte de crédit payés par les sociétés	-	-	-
Dépôts des gouvernements (remboursement d'impôts, PSE, etc.)	10 374,97	10 672,59	10 045,40
Correction - crédits erreur lors de transactions	361,03	636,26	114,98
Crédit retours de marchandises	122,90	160,77	219,14
Transfert M. Ilyass Brouk	-	-	-
Remboursement factures M. Mtalsi	4 500,00	2 00,00	-
Remboursement factures M. Abdel Wahab Fadhil	556,00	5 962,00	-
Remboursement M. Zaki Alefrangi	500,00	1 000,00	500,00
Cadeau	-	-	70,00
Montant pour sinistre	-	1 034,78	-
Remboursement Kemlab	-	-	2 799,71
Remboursement Floride	-	-	441,80
Montant provenant du compte bancaire (RBC finissant par 2020)	2 000,00	-	-
<b>Total des déductions</b>	<b>18 428,76</b>	<b>21 468,62</b>	<b>15 268,93</b>


<b>Revenu total par avoir net</b>	<b>95 487,82</b>	<b>193 150,03</b>	<b>76 576,14</b>
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Brossard, le 11 février 2026

  
BOUCHAIB GOURICHE  
APPELANT  
610, rue Verdure  
Brossard (Québec) J4W 1R3  
Téléphone : (514) 702-4021

Montréal, le \_\_\_ février 2026

  
ME CHRISTOPHE TASSÉ-BREault  
PROCUREUR GÉNÉRAL DU CANADA  
Procureurs de l'Intimé  
Complexe Guy-Favreau  
200, boul. René-Lévesque Ouest  
Tour Est, 9<sup>e</sup> étage  
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DESTINATAIRE : Le greffe  
Cour canadienne de l'impôt  
30, rue McGill  
Montréal (Québec) H2Y 3Z7

REFERENCE : 2026 CCI 70

COURT CASE NUMBER: 2022-979(IT)G

TITLE OF THE CASE: BOUCHAIB GOURICHE v. HIS MAJESTY THE KING

HEARING LOCATION: Montreal (Quebec)

HEARING DATE: March 16, 17, 18 and 19, 2026

REASONS FOR JUDGMENT BY: The Honourable Judge Dominique Lafleur

DATE OF JUDGMENT: April 28, 2026

COMPARISONS:

For the caller: The appellant himself

Respondent's lawyer: Mr. Christophe Tassé-Breault

LAWYER REGISTERED IN THE FILE:

For the caller:

Name : N / A

Office: N / A

For the respondent: Marie-Josée Hogue  
Deputy Attorney General of Canada  
Ottawa, Canada