



EFile Association of Canada Membership Renewal Underway

Tax practitioners can renew their annual EAC membership directly at www.efile.ca.

The 2025 annual membership information:

1. The membership 'year' runs from Nov. 1 - Oct. 31. Memberships are individual.
2. The 2024/25 fee schedule is \$195 + GST/HST.
3. Renewing EAC members will receive a copy of our **2025 Efiler's Resource Guide**, providing you with easy reference to efile resources, as well as all EAC **IMPACT** newsletters, delivering updates on the latest changes to the EFILE system.

Thank you all for your continued support. We could not do it without you. ★

Your Express Consent is Required

We ask all members to make certain that they have selected "Yes" to providing "Express Consent" when renewing their EAC membership.

Express Consent is required for us to e-mail you under Canada's Anti-Spam Legislation (CASL).

To check if you have provided us with your consent:

1. Login to your account (at www.efile.ca);
2. Then select "ACCOUNT" (top right-hand corner);

3. Click on "EDIT PROFILE" under "MY ACCOUNT"
4. Scroll down to the bottom of the page to the section "EXPRESS CONSENT";
5. Check "YES" in the box;
6. Click on "UPDATE PROFILE" to save. ★

Bare Trust Update

The CRA officially announced on October 29th that it will not require bare trusts to file a T3 Income Tax and Information Return, including Schedule 15 Beneficial Ownership Information of a Trust for the 2024 tax year, unless the CRA makes a direct request for these filings.

The announcement is a continuation of the exemption from the trust reporting requirements that was issued very late into the tax season on March 28th for bare trusts for the 2023 tax year. It is also confirmation of the announcement in August that a legislative proposal would reduce the administrative burden and exempts bare trustees from the 2024 bare trust filing requirement.

Note that the new trust reporting requirements still apply to other affected trusts with taxation years ending after December 30, 2023. These affected trusts are required to file a T3 return, including Schedule 15, unless specific conditions are met.

The deadline for the T3 return is no later than 90 days after the trust's tax year-end. The tax year-end for most trusts is the end of the calendar year. Trusts with a December 31, 2024, tax year-end will need to file their T3 return by March 31, 2025.

In August and September 2024, the Department of Finance held consultations on technical amendments clarifying the trust reporting rules. It indicated that the legislative proposal “would seek to reduce the administrative burden and to exempt bare trustees from the 2024 bare trust filing requirement”. So, while they have narrowed the scope of filing requirements of bare trusts, they have not entirely eliminated the need to file a T3 return and Schedule 15.

We can expect more on the bare trust fiasco soon, as the Taxpayers’ Ombudsperson is in the final stages of drafting a report on its examination into the CRA’s administration of the 2023 bare trust filing requirements. The report is expected to be released in early 2025. ★

New for EFile in 2025

There are several changes coming to the EFile system when it is expected to reopen on Monday February 24, 2025. A few are noted below.

- The T183 form has been updated for program year 2025 (for 2024 T1 returns). Carefully review it when it is released in the new year.

Increased EFile, AFR, ReFILE and T3 years:

- Ability to EFile previous year returns continues to expand with addition of one year (CY + previous 7 years);
- AFR data from previous years expanded by one additional year (CY + previous 8 years);
- ReFILE is current year + 3 prior years;
- T3 electronic filing increased by one year to allow filings for 4 years (CY + previous 3 years up).

T3 Electronic Filing types expanded to include:

- T3RET – T3 Trust Income Tax and Information Return;
- T3S – Supplementary Unemployment Benefit Plan Income Tax Return;
- T3AUTH-IND – Amateur Athlete Trust Income Tax Return;
- T3M – Environmental Trust Income Tax Return

- T3-RCA – Retirement Compensation Arrangement.

Representative authorization

The service to cancel a representative has changed so that Efilers can only submit a request to cancel their own authorization. The change to the Cancel Representative option was made to protect taxpayer information.

Other enhancements:

- Lifting Non-Resident Filing Restrictions;
- Electronic submission of Special Elections and Returns Forms;
- Two new boxes for CPP Enhancement;
- Additional FHSA information will be available online.

Progress Tracker enhanced

For individuals (My Account):

- Enhancements to T1 Adjustment statuses that will include Compliance Programs status for the following programs: Validations, Matching, Pre-Match, and Supplementary exams.

For businesses (My Business Account):

- Scientific Research and Experimental Development (SR&ED) - track claims or service cases submitted by corporations when filing their T2 income tax return.

Reminder that only files that are in progress or that have been completed in the past 30 days will be displayed in Progress Tracker.

First Home Savings Account (FHSA) in My Account

Beginning in February 2024, individuals can view FHSA information in My Account, such as:

- FHSA transaction details and summaries for all years;
- FHSA deduction limit;
- Accepted and rejected FHSA information records from financial institutions;
- FHSA return based on CRA assessed and reassessed results;
- FHSA deduction limit statement: to have annual and cumulative FHSA allowable deduction amounts and taxable income on FHSA withdrawals displayed.

In May 2024, a new link called FHSA Returns was added to view and select a filed FHSA return. Information available to view includes:

- Year;
- Status of return;
- Date processed.

Taxpayer Self Service updates in My Account

Updates will provide users with additional options to initiate online requests related to payments.

Options to be introduced to My Account and RAC:

- Initiate a request to transfer payments or instalment payments within their own account or to another account or revenue line;
- Initiate a request to refund unallocated payments or instalment payments;
- Initiate a request for an Electronic Statement of Account in the event the online statement of account function is unavailable to them or does not display the statement they would like to see;
- Initiate a request for a payment trace.

Authorize or Cancel a Representative

This service allows Efilers to submit third-party authorization and cancellation requests directly to the CRA using EFILE certified software.

The Cancel a Representative service is being updated to allow Efilers to submit requests to cancel only their own authorizations and not other representatives' authorizations.

The change will provide additional security and ensure representatives can only make changes based on the level of authorization their client consented to.

Single Sign-in for all CRA portals

CRA has developed a system where users will only be required to sign in once to access any of their CRA portals. Users will be able to access:

- My Account;
- My Business Account;
- Represent a Client;
- My Trust Account; and
- Any future portals.

Users will simply sign in and access any account available to them.

Available Payments Summary letters

At the end of May 2024, the CRA began issuing a new Available Payments Summary letter to taxpayers who have available payments on their account. Taxpayers who are signed up for e-notifications received an email notification of the letter. The letters can be viewed through RAC or My Account.

The “Transfer payment(s)” option on the Accounts and Payments page in My Account can be used to transfer, in real time, available payments to:

- an individual tax balance;
- instalments for the current year; and
- a COVID-19 benefits balance.

The “Transfer payment(s)” option cannot be used to transfer a payment to an amount under appeal or to an amount that is not shown on the “Accounts and Payments” page on My Account. For these payment transfers, you will need to contact the CRA on the General Enquiries phone line.

Connect with us in My Account

CRA has added a new “Connect with us” link to the “Correspondence” side bar in My Account. This takes users to another page where there are options to contact the CRA, or to get help on specific topics which can be found outside of the portal. A similar system was also added to the My Business Account portal. ★

Timeline for Renewing your EFILE Registration with the CRA

The EAC recommends that tax preparers renew their EFILE accounts with the CRA as soon as possible.

You must renew your participation online to maintain your access for the coming year and to continue to receive emails from the CRA. According to the CRA, the account renewal process can take up to six weeks to process (30 business days).

To ensure that your application is processed before the start of the next filing season, you must submit your renewal application before December 31.

Also note if you renew on or after October 21, 2024, you must update your tax preparation software with your newly assigned password. If you do not renew your account you may continue to use your current password until January 31, 2025 (when it will expire).

CRA reminds all Efilers that “Access to the EFILE Electronic Filing Service is limited solely for the purposes of the electronic filing of any return of income. Any other use is prohibited.”

If you lose or misplace your EFILE number or password, do not file a new application using the online CRA link to register for EFILE. Simply contact your EFILE Helpdesk for assistance. They can assist with any account related questions as well as suitability screening and monitoring program activity.

There are three EFILE Helpdesks. Make certain to contact the one assigned to you. Your assigned EFILE Helpdesk will be indicated on your account renewal confirmation page.

- Sudbury Tax Centre (1-800-361-6283)
- Winnipeg Tax Centre (1-800-461-1806)
- Jonquière Tax Centre (1-855-699-4640). ★

Important Dates for Efilers

The EFILE and ReFILE system for T1 returns will shut down for annual maintenance on Friday, January 31, 2025 (11:00PM ET).

We anticipate, based on the three preceding years’ time frame of 24 days between closing and reopening, that EFILE and ReFILE will re-open on **Monday, February 24, 2025** (8:30AM ET) for the electronic filing of 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 T1 returns and ReFILE of 2021, 2022, 2023, and 2024 amended T1 returns.

The EFILE system for T3 transmissions also closes for maintenance on Friday, January 31, 2025. ★

Progress Tracker – Additional Feedback Requested

The Progress Tracker (PT) service provides status updates on files and enquiries submitted to the CRA, as well as target completion dates for files in both My Account and My Business Account.

Results from our Annual Survey of Efilers indicated that most tax preparers find the PT feature useful. This is good news, particularly since the CRA has indicated that they intend to add file types to be tracked in the PT system. As such, we seek feedback from you on additional file types you would like to see in PT.

Responses from our Annual Survey also indicated that one drawback of PT is the lag time for file updates. CRA has advised that they strive to update files in PT as soon as possible.

We would like to provide CRA with examples of which file statuses are slow to be updated (i.e. applications or objections, etc.).

Please feel free to email us at info@efile.ca with additional features or file types you would like to see added to PT as well as file types that are often slow to update in PT.

We will be certain to aggregate the information and pass it on to CRA. ★

Updates and Reminders

Some updates on ongoing irritants.

Business authorization headache

If your client cannot authorize you as their representative online, CRA has indicated that after the authorization is electronically sent in, the client can call the business enquiry line (1-800-959-5525) and request CRA to accept the authorization over the phone. It is an imperfect process, but currently the only workaround. If you encounter difficulties with

this workaround process, please advise Steve Watson, Executive Director at swatson@efile.ca.

Update on Benefits Offset triggered in April 2024

Last year we received many complaints about CRA's practice of applying credits for Benefits (CCR, OTB, GST, etc.) payable in April to balances due from assessments that were less than 60 days old. This policy generated needless calls to CRA General Enquiries as well as to tax preparers during the busiest time of the year.

We notified the CRA of this issue and the CRA subsequently advised that a gap in the system existed.

CRA has adjusted their systems so that next April, the offset system should not trigger for current year T1 debt.

Update on first time filer validation issues

A reminder as we head into a new tax season, the CRA advises that tax preparers must use the name exactly as provided by Services Canada (in a SIN confirmation letter). If the efile system does not accept the return (due to error code 100-B), the CRA advises to file the return in paper form with a SIN confirmation document (if available).

Disability Tax Credit (DTC) Reminder

The new digital application form can now be used to apply online for the DTC. It is a two-step process.

Step 1 – The applicant fills out Part A of Form T2201 Disability Tax Credit Certificate online through My Account. The applicant then receives a reference number after the form is submitted.

Step 2 – The applicant provides the reference number to their doctor. The doctor uses it to complete and submit Part B of the form online.

An applicant can be the person with the disability or their legal representative.

Once the application is submitted, the CRA will begin the process of reviewing the application. Progress Tracker, available in My Account or Represent a Client, can be used to track the progress of the application.

MFA timed lockouts for all portals changed

Prior to February 2024, if a user was locked out of the system after multiple failed multi-factor authentication (MFA) attempts, they needed to contact the CRA EFile Helpdesk to have an agent reset the account so that the user could try again.

The lockout is now temporary (lasting 30 minutes). However, after a combined total of three temporary lockouts, the user will be permanently locked out and will need to contact the CRA to regain access.

Note that when a successful entry is made on any MFA code entry page, the failed MFA counters will be reset to 0.

When an account is locked out, the user will receive an email notification.

Credential reduction

New users are only able to register for one credential (a CRA user ID and password or Sign-In Partner) to access all their CRA online accounts.

Existing users with multiple credentials can continue to use them and are not impacted by this change. An existing credential will only be removed if a user revokes it themselves.

Although new users will only be able to register for one credential, some will also be able to enroll with a provincial partner (e.g. BC Services Card or Alberta.ca Account) for My Account only.

In addition to the existing shared secrets that users must provide to the CRA to validate their identity during registration (e.g. SIN, date of birth, current postal code, and an amount entered on one of their income tax and benefit returns), the CRA will also require users to provide line 15000 (gross income) from their most recent income tax return. ★

Obtaining authorization on a deceased taxpayer's account

- CRA needs to have the legal representative on file.
- Must provide the exact name of the deceased as it is on file (no estate of the late, etc.).
- The legal representative as the "certified by".
- Do not send the signature page.

Signature pages

- EFILE authorization requests must be submitted using certified tax software.
- Signature pages from EFILE software that are sent to the CRA will not be processed or returned.

Accessing My Account:

The Document Verification Service (DVS) is now available for the CRA sign-in services. The DVS system allows you to verify your identity without waiting for a CRA security code, providing you with full and immediate access to the CRA sign-in services.

Update your MFA settings

After you sign in to My Account, My Business Account or Represent a Client, go to Multi-factor Authentication settings to update your current MFA settings or enroll in additional MFA options.

You can:

- Add or change a phone number for MFA;
- Change your language settings;
- Add or remove an MFA option;
- Generate a new passcode grid.

Enrolling in more than one MFA option

It is good practice to enroll in more than one MFA option, although only one option is required.

Enrolling in multiple MFA options will help ensure that you can still access the CRA sign-in services if you change your phone number, misplace your passcode grid, or delete the third-party authenticator app.

If your phone number has changed and you can no longer receive your one-time passcode to that number, you can use another MFA option if you are already enrolled with that option.

If you don't have access to your old phone number and you are not enrolled with another MFA option, you will have to contact your designated EFile Helpdesk.

Time-based one-time passcode (TOTP) option

The CRA now offers an option for MFA that uses third-party authenticator apps (e.g. 2Stable) instead of using your cell phone (code via text) or the

passcode grid. These apps can generate a TOTP that the user can access quickly and easily to sign in to the CRA sign-in services.

To use a third-party authenticator app, you need to download an app that is compatible with the CRA sign-in services. The app store offers many free third-party authenticator app options to choose from.

Using the app, scan the provided QR code with a mobile device when prompted. If you are unable to scan the QR code, you can manually enter the set-up key the CRA provides into the app. This is a one-time set-up.

Authenticator apps generate a 6-digit time-based one-time passcode for you to sign in with. For security reasons, the app will generate a new passcode every 30 seconds. ★

EAC Board Meets with CRA Management

The Board of Directors of the EAC met with senior managers of the CRA for a full day conference at the Hotel Clarendon in Quebec City, Quebec, on September 19, 2024.

We are happy to report that the CRA was well represented by senior managers from many sections, including:

- Stakeholder Relations Division;
- Automatic Tax Filing Division;
- Digital Services Communications;
- Benefit Programs Processing; and
- Business Authorization Division.

Many issues were discussed, covering a broad range of topics, from administrative reporting requirements to broader policy issues that affect all tax practitioners and Efilers.

Further, the EAC provided the CRA with a list of issues identified by our members as part of our Annual Membership Survey.

This edition of the *IMPACT* Newsletter highlights some of the information obtained from the CRA

during our meetings. Note that many of the new features outlined are a direct result of the EAC lobbying efforts. ★

2024 AGM Board of Directors Election Results

The AGM and a meeting of the Board of Directors took place at the Hotel Clarendon Quebec City, Quebec, on Wednesday, September 18, 2024.

Five Board positions were up for election this year with seven candidates running for election to the Board of Directors.

The following were elected to the Board of Directors for a three-year term:

- Shakila AHMAD (Montreal, QC).
- Jake ANAND (Mississauga, ON).
- Alison GREEN (Regina, SK).
- David INHABER (Calgary, AB).
- Blake MCGUFFIE (Nanaimo, BC).

Appointed to serve as ex-officio member to the Board of Directors is Jamie Schram, National Tax Manager, FBC (BC).

A full list of the Board of Directors is included on the last page of this newsletter.

The 2025 AGM will be held on September 17th, 2025, in Ottawa, Ontario. Details will be provided in the January 2025 IMPACT Newsletter. ★

Jake Anand, President of Taxtron, Guest Speaker at EAC Annual General Meeting

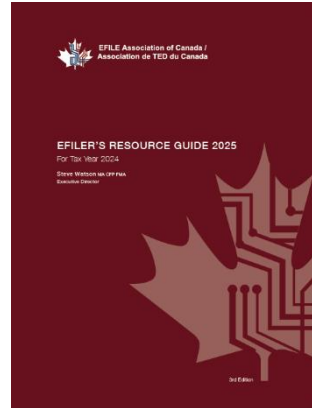
It was a warm reception for well-known software developer Jake Anand of Taxtron at the 2024 AGM, held on September 18 in Quebec City.

Mr. Anand provided a detailed overview of the idiosyncrasies of the CRA tax software certification process.

Mr. Anand is well versed in tax software certification as Taxtron (taxtron.ca) is a developer of T1, T2 and T3 tax software for Windows, Mac and Web platforms.

Taxtron also produces a tax course as part of their Web professional program. ★

2025 Efiler's Resource Guide



The 3rd Edition of the Efiler's Resource Guide (for tax year 2024) is currently in production and will be distributed to all EAC members in early February.

We are always looking for feedback, so if there is anything you would like included in the next

edition, or if you would like to purchase additional copies, please let us know.

Feedback and requests for additional copies (while they last) can be sent to info@efile.ca. ★

EAC Marketing

On your letterhead, website and in your advertising, include the EAC logo.

To obtain a digital copy or an EAC door decal, email info@efile.ca to request a copy. ★



**EFILE Association of Canada /
Association de TED du Canada**

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