

# The Canadian Broadcasting Corporation's continued attack on the tax profession

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The Canadian Broadcasting Corporation ("CBC") just can't seem to help itself. It really must think it has a good story given the fact that it is acting like the proverbial dog who has a tasty bone and won't drop it. I've written about the CBC's attacks on the tax profession before and you can read it [here](#).

On March 3, 2017, the CBC's Fifth Estate broadcast an [episode](#) about its "findings" revolving around the Isle of Man tax avoidance plan that was marketed by one of the major accounting firms over a dozen years ago. The episode is a perfect example of sensationalist accusations of inappropriate activity that have no proof and have not yet been played out by the courts. Furthermore, little, if anything "new" was introduced in this version of the story, beyond disclosing names of alleged users of the plan. The episode opens like a scene from a TV series with a well-dressed person in Vancouver getting into a sports car and driving away with the top down. Seriously?? Was the scene supposed to depict that accountants who practice tax are entitled rich kids who are above the law? Certainly seemed so. Even the title of the episode suggests that the "rich" are "the untouchables". How ridiculous!

Anyone with a rudimentary knowledge of tax matters will quickly realize from viewing the episode that it was selectively "researched". One scene said that through the development of CBC's own innovative search mechanisms it was able to obtain the names of certain rich Canadians who participated in the Isle of Man plans. I'm wondering what those innovative techniques are, how reliable they may be and whether they are any more sophisticated than using Google!

Another questionable part of the CBC episode was the interview of a series of "tax experts" who appeared all too willing to criticize the CRA, the accounting firm, and the judiciary, based on innuendo and hearsay provided by the CBC. A Google review of the tax experts' experience reveals that most of the "experts" have very little practical experience as tax practitioners. This casts doubt on CBC's ability to find experienced and knowledgeable tax professionals willing to give credence to faulty, or at least highly questionable, assertions.

As I wrote in my previous blog about this matter, the CBC's "investigation" of the accounting firm and how the CRA has handled this is offensive and completely inappropriate. The allegations made by the Fifth Estate are essentially the following:

1. The accounting firm and its clients cut a special deal with the CRA with respect to the Isle of Man tax plan;
2. "Rich" Canadians are "untouchable" when it comes to trying to audit or investigate their tax affairs; and
3. The CRA and the judiciary have an all too cozy relationship with tax practitioners in Canada that ultimately leads to conflicts of interests.

The above is complete nonsense. I have a very hard time – after being in tax practice for over 25 years – believing that the accounting firm or its clients received any special deal. The same goes for "rich"

Canadians. In my entire career, I have never once experienced a special deal for “rich” Canadians (or “poor” Canadians for that matter). Lastly, to assert that the CRA and the judiciary are too cozy with tax practitioners is again nonsense. The CRA has one of the most important governmental functions in Canada – to collect revenues and enforce Canada’s tax laws. It’s a complex and difficult job only possible with the cooperation of tax practitioners to help enforce such laws. And vice versa – the tax practitioners’ jobs are only enhanced by good cooperation and interaction with the CRA, Department of Finance, the judiciary, etc. so as to help explain and interpret Canada’s very difficult taxation laws. To suggest that the tax system would operate more effectively without this cooperative relationship ignores a worldwide trend towards more cooperative compliance promoted by the OECD (Organization for Economic Co-operation and Development) and adopted by several countries.

For the CBC, one can only speculate why it continues to produce such yellow journalism. If the objective is to try and put a wedge between tax practitioners and the government, then I for one really hope that the CBC fails miserably. If its objective was to try and prove that accounting firms and their “rich” clients are above Canada’s taxation laws, well once again it failed miserably as its “evidence” of such was severely lacking. If its objective was to prove conflicts of interest exist because government employees attend tax conferences and – heaven forbid – they might eat some snacks and have a drink at a social function, then once again its shallow attempt fails miserably and is offensive to the good people of the CRA and the judiciary. Instead, the CBC should find other stories to waste its bloated taxpayer funded budget on.

In response to the Fifth Estate episode, the Minister of National Revenue released a [statement](#) on March 5, 2017. The statement verified once again that no amnesty was provided to any of the accounting firm clients but rather a settlement was reached in some cases. The settlement procedures followed by the CRA were reviewed by an independent and experienced law professor and found to be appropriate. All these facts were known, or should have been known, to the CBC, but were ignored in order that they continue to promote their sensationalized story.

It is very sad that the Minister felt compelled to make a statement. However, the tarring and feathering by the CBC of the accounting firm, “rich Canadians”, the CRA, and the judiciary presented so much misleading information to the public that it demanded a public response in order to support public confidence in the fairness of the tax system. Kudos to the Minister for the transparency that is obvious in her statement and for her steps to defend confidence in the tax system.

Sigh.....is there an easy way for people to mass unsubscribe the CBC from their cable or digital packages so as to not give the CBC any credence to its irresponsible journalism? I might just Google that and become an expert.

On a serious note, I am just one of many practitioners that wants to protect the integrity of the tax profession. It is important that we make our voice heard and I encourage you to join the conversation using the hashtag #integrityintax