



Future Directions  
for the  
Canada Customs and  
Revenue Agency  
– Small and  
Medium Enterprises



*More Ways to Serve You!*

*Pour vous servir encore mieux !*



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

Canada



The mission of the Canada Customs and Revenue Agency (CCRA) is to promote compliance with tax, trade, and border legislation and regulations through effective communication, quality service, and responsible enforcement, thereby contributing to the economic and social well-being of Canadians.

Future Directions was launched in April 2001 to help identify the essential elements that must be in place to ensure good performance in the future and thereby allow us to remain a recognized leader in responsible and fair customs and revenue administration.

It is a fundamental stocktaking of our relationship with key client groups to ensure that we provide effective programs and services, both now and in the foreseeable future, in order to promote compliance, achieve client satisfaction, and secure public confidence in the integrity of customs and revenue administration in Canada.

We deliberately set out, through Future Directions, to look at our services and activities through the eyes of our clients. To do this, we organized our efforts around client groups rather than our traditional functions such as audit, customs, and collections.

## **Our approach**

Future Directions for small and medium enterprises (SMEs) has looked at our operations from the unique perspective of Canadian entrepreneurs. The more than 2 million SMEs make a significant contribution to Canada's gross domestic product, paid employment, and new job creation. Self-employment has grown to 2.5 million, or 17% of total employment. The new entrepreneurs of this decade will be drawn predominantly from the 46 to 65 age group, youth, and new Canadians, with women bridging the gender gap in self-employment. To ensure that we heard from all parts of this diverse sector, we consulted with SMEs across Canada, the professionals that often represent them, their associations, and the CCRA officers who deal with them. We also used surveys and talked to our national and regional Small Business Advisory Committees.

We were told that new businesses need more support during start-up, that we should move more quickly to put in place more electronic options while preserving the support currently provided through 1-800 telephone services, and that we should continue to strengthen accuracy, consistency, and fairness in all our operations.

## **Our commitments**

Based on our consultations, we will focus on **increasing outreach, expanding electronic services, improving accuracy, and ensuring compliance.**

## **Outreach**

Helping new businesses understand their tax obligations right from the start is critically important to their future. At present, we offer assistance through the Business Window at our offices, our national 1-800 service, and our Web site. We will

provide more help to new registrants in the following ways:

- ◆ We will expand our **co-operative outreach activities** to clients in partnership with interested provinces, territories, and other organizations to provide new entrepreneurs with information on how to better meet their obligations.
- ◆ We will offer a **checklist of the requirements** of other departments and governments.
- ◆ By 2003 we will offer **joint business registration** with five provinces, building on our success with Nova Scotia.
- ◆ We will also build on our pilot project where we contact new businesses in their initial period of operation to provide **timely guidance and assistance**.

## **Electronic services**

The Internet allows the CCRA to offer SMEs immediate 24/7 access to client-oriented information and tools. At present, SMEs can file their individual and corporate tax returns, their T4 returns, and their GST returns on the Internet. They can also file their GST and nil payroll returns using our 1-800 telephone services, and they can make most CCRA payments electronically through their financial institution. We will build on these features:

- ◆ Next year we will redesign the CCRA Web site to eventually give clients confidential access to their own account information through a secure **My Account** page.
- ◆ **By 2005, all the everyday transactions needed by SMEs will be available securely online.**
- ◆ We will expand our **efforts with other government departments** to simplify and integrate processes such as the CCRA T4 and the Human Resources Development

Canada Record of Earnings, and an online payment mechanism through the Receiver General for Canada. We will also work with software vendors to incorporate the ability to prepare and file returns into their commercial packages.

- ◆ We will ensure that CCRA agents who deal with clients through the Business Window are provided with **client-oriented, Web-based tools**.
- ◆ We will develop better online information and streamlined **Scientific Research and Experimental Development processes**, reflecting the Government's commitment to more research and development.

## Accuracy

It is essential to increase accuracy and consistency, because even rare errors erode trust and are costly to business. For businesses, this means understanding what is required to fulfill their obligations and being able to complete transactions accurately and quickly. For the CCRA, it means working to eliminate errors as early as possible in the processing cycle, as well as providing consistent responses. We will increase accuracy and consistency in the following ways:

- ◆ We will systematically analyze the most **common errors** and take steps to reduce them.
- ◆ We will **expand the use of electronic filing**, which saves time for businesses and reduces errors commonly made when completing and processing paper forms.

## Compliance

The precise targeting of enforcement actions and a graduated penalty structure are key components of a fair tax system that promotes compliance. More focused enforcement directly reduces the burden on

compliant businesses and ensures that the same rules apply to all.

- ◆ We and our colleagues from the Department of Finance are planning **consultations to discuss penalties** to ensure that we have a penalty structure that properly recognizes prior good performance and imposes more severe penalties for systematic evasion and non-compliance.
- ◆ Our compliance efforts will be **more focused on non-compliant clients**. Complex cases of non-compliance will be identified quickly and handled by units specifically established for that purpose.

*Mr. David Miller, Assistant Commissioner, Assessment and Collections Branch, has been designated as the CCRA champion responsible for this ambitious change agenda. He will have overall responsibility for the successful implementation of this new way of doing business.*



Successfully implementing Future Directions means continuing to work together. We would like to hear what you think about our vision and our future directions, and what they mean to you. Your comments and suggestions are important to us.

You may reach us at  
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or by writing to the Future Directions Secretariat, Canada Customs and Revenue Agency, 410 Laurier Avenue West, Ottawa, ON K1A 0L5.