



BY EMAIL

November 21, 2022

The Honourable Chrystia Freeland
Minister of Finance
House of Commons
Ottawa, Ontario,
Canada
K1A 0A6

RE: BILL C-32 AMENDMENTS TO THE INCOME TAX ACT

Dear Minister Freeland:

I am writing to bring to your attention the concerns of the Federation of Law Societies of Canada (Federation) about amendments to the *Income Tax Act* currently before the House of Commons as part of Bill C-32, *The Fall Economic Statement Implementation Act*.

The Federation is the national association of the 14 law societies mandated by the provinces and territories to regulate Canada's legal profession in the public interest. Together the law societies regulate more than 136,000 lawyers, 4,200 notaries in Quebec and Ontario's nearly 10,600 licensed paralegals. The Federation is also the law societies' national and international voice on important issues related to the regulation and core values of the legal profession.

The proposed amendments to the *Income Tax Act* included in Bill C-32 (section 35) threaten important Constitutional principles, including solicitor-client privilege and the duty of commitment to the client's cause by imposing on legal professionals a requirement to file a return for trust accounts they operate on behalf of specific clients (separately held trust accounts). The failure to protect these important principles makes the amendments unlikely to survive Constitutional scrutiny. The attached submission, sent today to the House of Commons Standing Committee on Finance, sets out the Federation's concerns in detail.

We would appreciate an opportunity to meet with you and your senior officials to discuss this issue. We understand that the Canadian Bar Association, the representative body of some 36,000 lawyers in Canada, has also requested a meeting. We would be pleased to participate in a joint meeting with representatives of the CBA.

I look forward to your response.

Sincerely,

for
Jill Perry, K.C.
President

Encl.