



News Release

**For Immediate Release
November 24, 2023**

Federation of Law Societies of Canada granted permanent Injunction

The Supreme Court of British Columbia today (November 24, 2023) granted an injunction suspending the application of recently expanded mandatory reporting obligations in the Income Tax Act to members of the legal profession pending the outcome of litigation challenging the constitutionality of the provisions.

The Federation of Law Societies of Canada filed the legal challenge on September 11, 2023. A consent injunction obtained by the Federation was scheduled to expire on December 1st, 2023.

The Federation is challenging the constitutionality of amendments to the Act that expanded existing mandatory disclosure obligations, created a new category of notifiable transactions, and delete a provision that relieved parties from the disclosure obligation when it had been fulfilled by another party to the transaction. The amendments came into force at the end of June.

The provisions, which require taxpayers and advisors, including legal counsel, to report to the Canada Revenue Agency on transactions that may constitute aggressive tax planning, purported to compel legal counsel to disclose confidential and potentially privileged client information to the government and undermine the duty of loyalty owed by members of the legal profession to their clients. A copy of the November 24th decision is available [here](#).

A Backgrounder with additional information on the Federation's constitutional challenge is available [here](#). The Federation's pleadings are [here](#). The government's pleadings are [here](#).

The Federation of Law Societies of Canada 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. It is the body through which Canada's law societies collaborate at the national level, share information on trends and issues affecting the legal profession, and engage in collective action and decision-making.

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. For more information on the Federation, please visit our web site at www.flsc.ca.

For more information about this release, or to acquire a high-resolution photograph of the Federation President, please contact:

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