



Report offshore tax cheating – Outcomes

From: [Canada Revenue Agency](#)

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5. Outcomes

If the CRA successfully collects \$100,000 or more in federal tax owing (excluding penalties and interest), the informant may receive between 5% and 15% of the collected amount as a reward.

The CRA must wait until the taxpayer's objection and appeal rights associated with the audit have expired before making a reward payment. The CRA will not make any "upfront" payments. The CRA may make partial payments when it collects additional taxes relating to the informant's submission once the \$100,000 threshold is met.

All rewards are taxable income for the informant.

An informant may be ineligible for a reward payment and the CRA can terminate a contract in certain situations, including when:

- the CRA already received the information from another source
- an audit or criminal investigation is conducted but leads to an assessment of federal tax relating to international tax non-compliance that is less than \$100,000
- the taxpayer is successful in an administrative or judicial appeal resulting in an assessment of federal tax relating to international tax non-compliance that is less than \$100,000, or
- less than \$100,000 is collected because the taxpayer has no known assets that the CRA can use to settle the outstanding tax liability

Cases that do not meet the eligibility criteria are either closed or referred to other areas within the CRA. If that happens, the CRA will send a letter to the informant.

Right of redress

The contract provides a dispute resolution process for informants. An informant's grievance will be reviewed by an internal review panel comprised of senior management representatives. Once the review is completed, the informant and the CRA will receive the panel's decision by mail.

Obtaining or receiving information about the status of a case

Because the Income Tax Act contains a general prohibition against the disclosure of taxpayer information, the CRA can only provide information to an informant on the status and disposition of their particular case. The CRA will not share any information about the taxpayer or potential audit with the informant.

To ensure confidentiality, a request for an update on a case must be made in writing to the CRA and refer to the case number. The CRA will respond in writing and will only confirm whether a case is open or closed.

An informant will receive written correspondence from the CRA only at their designated mailing address to acknowledge the submission, to initiate contract discussions, to inform them of a payment under the contract, and to serve notice of contract termination or completion.

Reward percentage criteria

If the information you provide helps the CRA assess additional federal taxes on international tax non-compliance, the CRA will reward you between 5% and 15% of the federal tax collected, excluding interest and penalties. The reward levels are 5%, 7.5%, 10%, 12.5%, and 15%.

The reward percentage is based on various factors, including those below.

Various factors on which the reward percentage is based

Quality of information	Mediocre <ul style="list-style-type: none">• Difficult to use (translation required)• Contains many errors• Incomplete; contains few details• Not clear and organized	Good <ul style="list-style-type: none">• Easy to use• May contain minor errors, but not on major issues• Complete on most major issues• Clear and fairly well organized	Excellent <ul style="list-style-type: none">• Very easy to use• Accurate• Complete and detailed• Clear and well organized
Relevance of information	Somewhat relevant	Mostly relevant	Relevant

Cooperation of informant	Minimal <ul style="list-style-type: none">• Provides basic explanations when asked• Provides minimal background information or appropriate context• Actions jeopardized or complicated CRA review	Adequate <ul style="list-style-type: none">• Provides useful explanations when asked• Provides useful background information and context where necessary	Exceptional <ul style="list-style-type: none">• Provides clear and detailed explanations when asked• Provides detailed background information that enhances the CRA's understanding of the tax issue
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Value of information to CRA	Low	Medium	High
	<ul style="list-style-type: none"> • Does not reduce the time needed for CRA compliance action • Mostly from public sources or would have been easy to obtain • Even without it, the CRA would likely have audited this issue 	<ul style="list-style-type: none"> • Reduces the time needed for CRA compliance action • Would have been difficult to obtain • Even without it, the CRA may have audited this issue 	<ul style="list-style-type: none"> • Greatly reduces the time needed for CRA compliance action • Would have been very difficult to obtain • Without it, the CRA would have been unable or unlikely to audit this issue

The CRA may also consider factors such as timeliness, the informant's role in the tax non-compliance, and whether assets were identified that helped with the collection of taxes.

Due to taxpayer confidentiality, the OTIP can not reveal the percentage awarded to the informant.

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