

Federal Court



Cour fédérale

Date: 20241220

Docket: T-374-24

Citation: 2024 FC 2083

Ottawa, Ontario, December 20, 2024

PRESENT: The Honourable Mr. Justice Ahmed

BETWEEN:

SRISKANDARAJAH ANANDARAJAH

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The Applicant, Sriskandarajah Anandarajah, seeks judicial review of a decision of the Canada Revenue Agency (“CRA”) dated January 22, 2024 refusing his request for relief from arrears interest pursuant to subsection 220(3.1) of the *Income Tax Act*, RSC, 1985, c 1 (5th Supp) (the “Act”).

[2] The Applicant is self-represented. He submits that the CRA denied him relief without considering his medical conditions and financial hardship. He also seeks to bring new evidence about his health, financial status, and changes in his household income.

[3] I am mindful that the Applicant is a self-represented party and recognize the challenging personal circumstances that form the context of this application. However, I find no legal basis for overturning the CRA's decision. The decision is reasonable and takes into account the financial and medical circumstances of the Applicant. This application for judicial review is dismissed.

II. **Background**

[4] Subsection 220(3.1) of the Act permits the Minister to “waive or cancel all or any portion of any penalty or interest” which accumulated during the 10-year period prior to a request for relief.

[5] The circumstances where relief may be granted are outlined in *Information Circular* 07-141 (the “*Information Circular*”). As stated at paragraph 8 of the *Information Circular*:

The [Act] gives the CRA the ability to administer the income tax system fairly and reasonably. The CRA does this by helping taxpayers resolve issues that come up through no fault of the taxpayers and by allowing for a common-sense approach in dealing with taxpayers who, because of personal misfortune or circumstances beyond their control, could not comply with a legal requirement for income tax purposes [emphasis added].

[6] In his 2008 tax return, the Applicant claimed charitable donation tax credits from the Universal Barter Program (“UBP”). The CRA later determined that the UBP was a tax shelter scheme, rather than a legitimate charity.

[7] The Applicant’s taxes for the 2008 tax year were reassessed. The Applicant was found to owe an outstanding balance to the CRA, subject to daily compounding interest.

[8] In March 2020, the Applicant requested relief from the interest for the 2008 tax year. His request was denied. The Applicant sought a review of this decision.

[9] In January 2024, the Applicant’s request was again denied by the CRA. The CRA determined that the Applicant’s medical conditions did not cause him to breach his tax obligations under the Act, that the Applicant’s participation in the UBP was not a circumstance outside of his control, and that payment of the tax debt would not cause the Applicant undue hardship. This is the decision that is presently under review.

III. **Preliminary Matter**

[10] The Respondent submits that the style of cause should be amended to identify the Attorney General of Canada as the proper Respondent, rather than the CRA. I agree. The style of cause is amended effective immediately, in accordance with Rule 303(2) of the *Federal Courts Rules*, SOR/98-106.

IV. **Issue and Standard of Review**

[11] The sole issue in this application is whether the CRA's decision is reasonable.

[12] The standard of review is not disputed. The Respondent submits that the applicable standard of review is reasonableness (*Canada (Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at paras 16-17, 23-25 ("Vavilov")). I agree.

[13] To determine whether a decision is reasonable, the Court must assess whether the decision, including both the rationale and the outcome, is transparent, intelligible and justified (*Vavilov* at para 15). The Court must not reweigh evidence that was before the decision maker, and it should not interfere with factual findings except under exceptional circumstances (*Vavilov* at para 125). Unreasonable decisions contain flaws that are central to the reasoning of the decision maker (*Vavilov* at para 100). Reasonable decisions have an internally coherent and rational chain of analysis and are justified in relation to the relevant facts and law (*Vavilov* at para 85). They take into account the administrative setting, the record before the decision maker, and the impact of the decision on those affected by its consequences (*Vavilov* at paras 88-90, 94, 133-135).

V. **Analysis**

[14] The Applicant submits that the CRA's decision should be reversed. According to the Applicant, the CRA was "dismissive of his medical and financial hardships," which have

reduced his capacity to earn income. The Applicant brought this application for the Court to “hear directly from him to understand his struggles, which the CRA has not recognized.”

[15] The Respondent submits that the CRA’s decision is reasonable. The Respondent asserts that the CRA considered the Applicant’s medical and financial hardship but reasonably found that they did not warrant relief.

[16] I agree with the Respondent.

[17] I first note that the Applicant’s new evidence will not be considered in this judicial review. In applications for judicial review, “only the information that was before the decision-maker can be considered” (*PPSC Enterprises Limited v. Canada (National Revenue)*, 2007 FC 784 at para 16). The Applicant’s new evidence was not presented to the CRA, and will therefore not be considered by the Court.

[18] Turning to the decision itself, I cannot agree that the CRA ignored the Applicant’s medical and financial hardship. The CRA acknowledged the Applicant’s injuries, stating that the Applicant’s “medical documentation” indicates that he “may have limitations that affect [his] ability to earn income.” Similarly, the CRA considered the Applicant’s financial status, including information from his tax returns and the value of his savings, investments, and property. In my view, the CRA “account[ed] for the evidence before it” and considered the “concerns raised by” the Applicant (*Vavilov* at paras 126, 127). I do not find that the CRA ignored these aspects of the request.

[19] Based on these factors, the CRA reasonably determined that relief was not warranted. According to the *Information Circular*, the CRA may grant relief if “personal misfortune” makes a taxpayer unable to “comply with a legal requirement for income tax purposes” (at para 8). In other words, “personal misfortune” alone cannot justify relief. The misfortune must be the reason that a taxpayer could not fulfill their tax obligations (*Carpenter v Canada (Attorney General)*, 2020 FC 753 at para 40). In this case, the Applicant did not demonstrate that his medical and financial issues prevented him from complying with the Act. I find no error in the CRA’s assessment of these issues.

[20] I also find no error in the CRA’s assessment of “circumstances beyond [the Applicant’s] control” (*Information Circular* at para 8). The *Information Circular* states that “circumstances beyond [a taxpayer’s] control” may justify relief if they prevent a taxpayer from being able to comply with the Act (at para 8). The Applicant states that he “relied on his accountant’s judgement [*sic*] regarding tax matters.” His accountant told him that the UBP “was a charitable organization registered and recognized by [the] CRA” and “approved by the government.” The Applicant states that he participated in the UBP believing this to be the case. However, the choice to claim tax credits from the UBP remained within the Applicant’s control. At no point was the Applicant prevented from complying with the Act. Therefore, I agree with the Respondent that relief was not justified on this basis.

[21] Furthermore, I find that the CRA’s consideration of undue hardship was reasonable. Based on the value of the Applicant’s assets, transactions demonstrating that the Applicant prioritized his savings over his tax debt, and a credit bureau search showing that the Applicant “ha[s] borrowing room,” the CRA found that “there is no reason to conclude payment of the tax

debt caused [the Applicant] undue hardship.” The Applicant may disagree with the CRA’s decision. However, the CRA accounted for the evidence and clearly explained the rationale for its decision (*Vavilov* at paras 126, 85). I find no basis for overturning the decision on this point.

VI. **Conclusion**

[22] For these reasons, I find the CRA’s decision is reasonable. The decision accounts for the Applicant’s submissions and is aligned with “the text, context and purpose” of subsection 220(3.1) of the Act (*Vavilov* at para 118). This application for judicial review is dismissed.

[23] Although this is not the outcome sought by the Applicant, I commend the Applicant for his self-representation and trust he felt heard by the Court during this proceeding.

[24] The Respondent sought costs in this matter. Given that the Applicant is self-represented, I exercise my discretion to not award costs (*Lalonde v Canada (Revenue Agency)*, 2023 FC 41 para 97; *Latourell v Canada (Attorney General)*, 2024 FC 44 at para 41).

JUDGMENT in T-374-24

THIS COURT’S JUDGMENT is that:

1. The style of cause is amended to identify the Attorney General of Canada as the proper Respondent effective immediately.
2. This application for judicial review is dismissed, without costs.

“Shirzad A.”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-374-24

STYLE OF CAUSE: SRISKANDARAJAH ANANDARAJAH v ATTORNEY
GENERAL OF CANADA

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: DECEMBER 9, 2024

JUDGMENT AND REASONS: AHMED J.

DATED: DECEMBER 20, 2024

APPEARANCES:

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(on his own behalf)

FOR THE APPLICANT

Acinkoj Magok

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Attorney General of Canada
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FOR THE RESPONDENT