

Federal Court



Cour fédérale

Date: 20250613

Docket: T-477-23

Citation: 2025 FC 1070

Ottawa, Ontario, June 13, 2025

PRESENT: The Honourable Mr. Justice Fothergill

BETWEEN:

IRINA MOROZOVA

Applicant

and

THE ATTORNEY GENERAL OF CANADA

Respondent

JUDGMENT AND REASONS

[1] Irina Morozova seeks judicial review of a decision of the Canada Revenue Agency [CRA] finding her to be ineligible for the Canada Recovery Benefit [CRB]. The CRB was one of several benefits provided by the Government of Canada to alleviate the adverse economic effects of the COVID-19 pandemic.

[2] Ms. Morozova is self-employed as an interior designer. She applied for and received the CRB for the periods between September 27, 2020 and January 30, 2021.

[3] The CRA selected Ms. Morozova's file for validation. On January 29, 2021, she provided five invoices issued in 2020 that indicated a total gross income of \$5,360.

[4] Ms. Morozova spoke with a CRA officer on April 7, 2021, who asked her to provide bank statements or cancelled cheques to support her claimed income. She subsequently spoke with a supervisor and another officer, both of whom repeated the request that she provide bank statements or other supporting documents to prove her eligibility. She provided no further documentation.

[5] By letter dated May 10, 2021, the CRA informed Ms. Morozova that she was not eligible for the CRB because she did not earn at least \$5,000 of employment or net self-employment income in 2019, 2020, or in the 12 months before the date of her first application.

[6] On June 14, 2021 Ms. Morozova sent a letter to the CRA. She noted that she had been asked to provide invoices supporting \$5,000 in pre-tax income, which she had done. She complained that the eligibility criteria had been changed to require net self-employment income, rather than gross self-employment income.

[7] The CRA commenced a second review of her application. On January 17, 2022, the second reviewer called Ms. Morozova and requested proof that her business was active and had incurred expenses. On January 18, 2022, Ms. Morozova submitted a number of payment receipts.

[8] The second reviewer's notes dated January 20, 2022 indicate that Ms. Morozova's net self-employment income was -\$3,006 in 2019 and -\$3,836 in 2020.

[9] By letter dated January 24, 2022, the CRA informed Ms. Morozova that she was not eligible for the CRB because (1) she did not earn at least \$5,000 of employment or net self-employment income in 2019, 2020, or in the 12 months before the date of her first application, and (2) she did not have a 50% reduction in her average weekly income compared to the previous year due to COVID-19.

[10] On February 17, 2022 Ms. Morozova sent another letter to the CRA stating her position regarding her eligibility. She offered to submit additional documents. The contents of the letter were largely the same as the one she sent on June 14, 2021.

[11] The CRA assigned a different second level reviewer to examine Ms. Morozova's file. On May 10, 2022, the reviewing officer spoke to Ms. Morozova by telephone.

[12] The reviewing officer's case notes for May 10, 2022 include the following:

TP was earlier denied first and second review based on \$5000 threshold eligibility. According to the available records on file and documents submitted by TP, she has not been able to proof [sic] she meet[s] the \$5000 threshold eligibility. TP reported a negative

Net self employment income of (-\$3,006 and -\$3,836) in 2019 and 2020 respectively and further submitted an invoices [*sic*] of \$5,360 plus tax as Gross Self employment in 2020. [...] After speaking with TP about her ineligibility, TP agreed that she did not meet the \$5000 Threshold eligibility and advised that the case be closed.

[13] By letter dated July 14, 2022, the CRA informed Ms. Morozova that she was not eligible for the CRB because she did not earn at least \$5,000 of employment income or net self-employment income in 2019, 2020, or in the 12 months prior to the date of her first application.

[14] The CRA's decision is subject to review by this Court against the standard of reasonableness (*Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [Vavilov] at para 10). The Court will intervene only where “there are sufficiently serious shortcomings in the decision such that it cannot be said to exhibit the requisite degree of justification, intelligibility and transparency” (Vavilov at para 100).

[15] The criteria of “justification, intelligibility and transparency” are met if the reasons allow the Court to understand why the decision was made, and determine whether the decision falls within the range of acceptable outcomes defensible in respect of the facts and law (Vavilov at paras 85-86, citing *Dunsmuir v New Brunswick*, 2008 SCC 9 at para 47).

[16] Ms. Morozova says that the CRA changed the CRB eligibility criteria in March 2021. She maintains that eligibility was initially based on an applicant's gross self-employment income, rather than net self-employment income. She also says she reached an agreement with a CRA officer that she would be allowed to keep the benefits she received prior to March 2021. She does not dispute her ineligibility for the benefits she received after that date.

[17] Ms. Morozova relies on the CRA's official guidance published on January 8, 2021:

[...] you should have earned a minimum of \$5,000 income in 2019 or 2020 from one or more of these sources: employment income, self-employment income, or provincial or federal benefits related to maternity or parental leave [...]

[18] The Respondent says that the CRA did not change the eligibility requirements for the CRB, which were determined by legislation. Subsection 3(2) of the *Canada Recovery Benefits Act*, SC 2020, c 12 s 2, [CRBA] defines incomes from self-employment as follows:

Income from self-employment

(2) For the purposes of paragraphs (1)(d) to (f), income from self-employment is revenue from the self-employment less expenses incurred to earn that revenue.

Revenu — travail à son compte

(2) Le revenu visé aux alinéas (1)d) à f) de la personne qui exécute un travail pour son compte est son revenu moins les dépenses engagées pour le gagner.

[19] This provision has remained unchanged since the CRBA received royal assent on October 2, 2020. It may be that the CRA revised its guidance documents in 2021 to clarify that self-employment income meant net income, but the statutory definition has been in effect since the CRB's inception.

[20] There is no evidence to support Ms. Morozova's assertion that she reached an agreement with an officer of the CRA that it would not contest her eligibility for the benefits she received before March 2021 if she conceded her ineligibility for benefits after that date. The officer's notes indicate that Ms. Morozova acknowledged her ineligibility generally, and was informed the file would be closed.

[21] The record includes an accounting of Ms. Morozova's income and deductions for the years 2019 to 2021, demonstrating net self-employment income of -\$3,006 in 2019 and -\$3,836 in 2020. Ms. Morozova does not dispute the accuracy of these figures.

[22] Ms. Morozova is not alone in expressing confusion about the eligibility criteria for pandemic-related benefits (see, e.g., *Milan v Canada (Attorney General)*, 2024 FC 17 at para 16; *Hai v Canada (Attorney General)*, 2025 FC 290 at para 21; *Saadi v Canada (Attorney General)*, 2022 FC 1195 at para 11; *Baidar v Canada (Attorney General)*, 2025 FC 431 at para 47; *Asgaraly v Canada (Attorney General)*, 2023 FC 1285 at para 39).

[23] However, the eligibility criteria established by s 3(2) of the CRBA are statutory and non-discretionary. CRA officers have no choice but to apply them (*Flock v Canada (Attorney General)*, 2022 FC 305 at para 23, *aff'd*, 2022 FCA 187). Even if Ms. Morozova reasonably believed she would be eligible for the CRB based on the guidance published on the CRA website, the legal doctrine of legitimate expectations is limited to procedural relief and does not ensure a particular outcome. Furthermore, there can be no estoppel in the face of an express provision of a statute; the legislation is paramount (*Mount Sinai Hospital Center v Quebec (Minister of Health and Social Services)*, 2001 SCC 41 at paras 35, 47).

[24] The CRA's decision was reasonable, and the application for judicial review must therefore be dismissed.

[25] The Respondent does not seek costs, and accordingly none are awarded.

[26] The Respondent asks to be named as the Attorney General of Canada, and not as the Canada Revenue Agency. The style of cause will be amended accordingly.

JUDGMENT

THIS COURT’S JUDGMENT is that:

1. The application for judicial review is dismissed.
2. No costs are awarded.
3. The style of cause is amended to name the Respondent as the Attorney General of Canada, with immediate effect.

“Simon Fothergill”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-477-23

STYLE OF CAUSE: IRINA MOROZOVA v THE ATTORNEY GENERAL
OF CANADA

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: MAY 22, 2025

JUDGMENT AND REASONS: FOTHERGILL J.

DATED: JUNE 13, 2025

APPEARANCES:

Irina Morozova
(on her own behalf)

FOR THE APPLICANT

Princess Okechukwu

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Attorney General of Canada
Toronto, Ontario

FOR THE RESPONDENT