

Recent Tax Law Cases and Court Decisions

published 05/10/2013

Recently, the expanding **TDS Law Tax Litigation Practice** successfully represented clients against the Canada Revenue Agency (CRA) on the following matter:

In the case of *St. Arnaud et al. v. The Queen*, the CRA assessed a large group of taxpayers from across Canada on the basis that investments in Registered Retirement Savings Plans (RRSP) were not in qualified investments and that the amount of the investment was less than the fair market value, triggering a taxable income inclusion under the RRSP provisions of the Income Tax Act. While the investors thought they were purchasing valid investments, the investments were in fact worthless. Not only did the taxpayers lose the funds they invested, the CRA took the position that the amounts were to be included in income. The Tax Court of Canada agreed with the CRA's position, but the Federal Court of Appeal, in a unanimous 3-0 decision, agreed with the arguments presented by TDS counsel, Jeff Pniowsky. This was a precedent-setting case in the interpretation of the RRSP provisions of the Income Tax Act, and a result which saved the group of taxpayers millions of dollars collectively.

Jeff Pniowsky focuses his practice exclusively in the areas of tax litigation and tax dispute resolution. Formerly a senior Tax Litigator with the Federal Department of Justice acting on behalf of the Canada Revenue Agency (CRA) for almost 10 years, Jeff has advised the Aggressive Tax Planning Division of CRA involving some of the most significant tax matters in the Prairie region. He also sat on the National Tax Avoidance committee for Justice Canada.

Jeff now serves local and national clients of TDS Law with a wealth of experience in litigating at all levels of both the Provincial and Federal courts, including the Supreme Court of Canada.

ABOUT THOMPSON DORFMAN SWEATMAN LLP (TDS Law)



TDS Law is a leading Manitoba-based law firm for business, employment, advocacy and dispute resolution, providing legal services to its clients locally, nationally and internationally. The full service firm's 76 lawyers cover over 20 areas of practice and offer services in English, French, Spanish, Italian, Portuguese and Polish. TDS Law is the exclusive member firm in Manitoba for **Lex Mundi** – the world's leading network of independent law firms with in-depth experience in 100+ countries worldwide. In 2012, TDS Law celebrated **125 years in the legal community**.

For more information, please contact

Thompson Dorfman Sweatman LLP (TDS Law)

Mark E. Howe

Director of Client Relations

+1.204.934.2580

DISCLAIMER: *This article is presented for informational purposes only. The content does not constitute legal advice or solicitation and does not create a solicitor client relationship. The views expressed are solely the authors' and should not be attributed to any other party, including Thompson Dorfman Sweatman LLP (TDS), its affiliate companies or its clients. The authors make no guarantees regarding the accuracy or adequacy of the information contained herein or linked to via this article. The authors are not able to provide free legal advice. If you are seeking advice on specific matters, please contact Keith LaBossiere, CEO & Managing Partner at kdl@tdslaw.com, or 204.934.2587. Please be aware that any unsolicited information sent to the author(s) cannot be considered to be solicitor-client privileged.*

While care is taken to ensure the accuracy for the purposes stated, before relying upon these articles, you should seek and be guided by legal advice based on your specific circumstances. We would be pleased to provide you with our assistance on any of the issues raised in these articles.