



The Joint Committee on Taxation of  
The Canadian Bar Association  
and

Chartered Professional Accountants of Canada

The Canadian Bar Association, 66 Slater St., Suite 1200, Ottawa, ON, Canada K1P 5H1  
Chartered Professional Accountants of Canada, 145 King St. West, Suite 500, Toronto, ON Canada M5H 1J8

June 17, 2026

Marc Lemieux  
Assistant Commissioner  
Compliance Programs Branch  
344 Slater Street  
Ottawa, Ontario  
K1A 0L5

Dear Assistant Commissioner Lemieux,

**Subject: Request for a waiver of penalties for GloBE Information Returns (GIRs) filed on or before September 30, 2026**

We are writing to request a waiver of penalties levied pursuant to subsection 98(1) of the *Global Minimum Tax Act (Canada)* (the “GMTA”) for GloBE Information Returns (GIRs) filed on or before September 30, 2026. Ideally, this waiver of penalties (which would effectively extend the first deadline for filing a GIR in Canada) should be coordinated amongst various jurisdictions, we respectfully request for Canada to advocate for this with the OECD.

While most multinational enterprises have been preparing for Pillar Two compliance for months, if not years, with the filing deadline looming, a number of challenges remain to finalize the filings.

We note that similar concerns have already been voiced to the OECD Secretariat by Business at OECD (BIAC) in a separate letter<sup>1</sup>.

This request is motivated by practical considerations that are increasingly evident, set out below.

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<sup>1</sup> <https://www.businessatoecd.org/newsroom/in-the-news/oecd-business-lobby-calls-for-urgent-minimum-tax-filing-changes>

## **1. Tax authority readiness**

The GIR has been designed as a standardized template to facilitate coordinated risk assessment. However, many tax authorities have still not yet fully operationalized the infrastructure required to receive and process these filings. In particular:

- local GIR filing portals remain under development, and final technical specifications (including the GIR XML schema) have not been published in a number of jurisdictions;
- secure and tested exchange-of-information networks for GIR data are not yet in place between all participating jurisdictions; and
- clear domestic guidance on receipt, validation and onward transmission of GIR filings has yet to be issued in several key implementing territories.

We note that while Canada opened its portal back in January 2026, a number of jurisdictions have not.

Further, even though the platform was opened in Canada, Canadian multinational enterprises are still encountering filing “bugs” – and while the development team has been responsive to address these, they nevertheless cause delays in filings that in some cases can be counted in weeks to resolve any system issues by both the CRA and the software used by taxpayers and/or their advisors. With an extreme high volume of GIRs to be filed within the coming two weeks, we expect a high volume of calls and emails to the CRA with an aim to address issues over a very limited time.

## **2. CRA design choices further increasing complexity**

We note that all Pillar Two filings in Canada are to be done in electronic JSON or WML format – GIR Notification, GMTR (which covers both the IIR and QDMTT) and the GIR.

These documents include a number a validation checks, such as:

- Names must match perfectly (which is more strict than T2 filing);
- Checks on jurisdictions; and
- Check on phone number length.

Requiring all filings to take place in an electronic format, without any paper alternative, has resulted in significant increases of the compliance burden to taxpayers. Other countries have avoided this challenge by not requiring all filings to take place in an electronic format (or permitting web form submission).

Furthermore – especially with regards to the GIR – we note that validation checks are made sequentially in Canada. In other words, an error message will be posted as soon as one error is identified in the GIR upon filing. Often, this will require contacting CRA to understand the error, before refiling – and potentially triggering another validation error. This could require significant back and forth, putting strain on taxpayer and CRA’s resources particularly considering that there are more than 160 OECD validations.

We must note that other jurisdictions have not made the choice of sequential validation – thus easing the actual filing process.

### **3. Limited practical impact of a deferral on information exchange**

Even where a GIR is filed on time by the filing entity, the ability of implementing jurisdictions to receive and use that information is subject to two independent preconditions, neither of which is yet universally in place:

- (a) Activated exchange agreements under the GIR MCAA.** The exchange of GIR data between jurisdictions requires the activation of bilateral exchange relationships under the Multilateral Competent Authority Agreement for the Exchange of GloBE Information Returns (the GIR MCAA). A jurisdiction that has not yet signed, ratified or activated its exchange relationships under the GIR MCAA will not receive GIR data from other jurisdictions, regardless of whether the filing entity has met its domestic filing obligation.
- (b) Technical infrastructure for automatic exchange.** Even where exchange agreements are in place, the automatic exchange of GIR data requires functioning technical infrastructure, including secure transmission channels, compatible data schemas, and validated receipt and processing systems on the part of both the sending and receiving jurisdiction.

Taken together, these preconditions mean that for a significant number of implementing jurisdictions, a GIR filing by September 30, 2026 (rather than June 30, 2026) would have no practical impact on the timing at which GIR data becomes available to them. The information simply cannot flow until the exchange framework and its supporting infrastructure are operational. An extension of the filing deadline for three months therefore aligns the filing obligation more closely with the realistic timeline for multilateral information exchange, rather than creating a compliance obligation that runs ahead of the system's capacity to use the data.

### **4. Practical implementation challenges for first-time filers**

The GIR is not a routine tax return. It requires the aggregation and reconciliation of data across accounting, tax, legal and systems teams, often across dozens of jurisdictions. This has been a multi-months process for taxpayers, and for some even multi-year process. For first-time filers, these challenges are compounded by:

- fragmentation of local filing obligations, with several jurisdictions already deferring local top-up tax return deadlines, creating misalignment between GIR, QDMTT and domestic filing timelines;
- jurisdiction-specific deviations from the OECD Model Rules, requiring entity-level analysis that is often still being resolved;
- evolving interpretations and administrative guidance;
- first-year systems builds and operating model design that are, in many cases, not yet fully concluded; and
- in Canada, the June 30, 2026 filing deadline coincides with the corporate tax deadline of June 30, 2026 for the majority of Canadian corporations.

Based on engagement across the market, a large number of in-scope groups do not yet consider their Pillar Two operating model to be fully stable, despite extensive preparation efforts. For these groups, the current deadline risks compelling filings based on assumptions that may later prove inconsistent with domestic rules or administrative expectations, increasing the likelihood of corrections and disputes.

## **5. Limited filings to date**

Based on discussions amongst taxpayers and their advisors, we estimate that there are over 500 GIRs to be filed by June 30, 2026, for Canada multinational enterprises and foreign multinational enterprises filing their GIR in Canada. As of the time of writing, we understand that few filings have been submitted to the CRA given the challenges noted above. There are significant concerns that the GIR submission will not be successful given the extensive validations and there will be insufficient time to resolve the errors by June 30, 2026.

## **6. Policy rationale for a limited, blanket waiver of penalties**

A short, waiver of penalties for three months for the first GIR filings would allow for multinational enterprises to:

- materially improve data quality, consistency and completeness of GIR filings;
- reduce the administrative burden of corrections, amended filings and downstream disputes;
- support tax authorities' own readiness and exchange processes at a critical launch phase; and
- reinforce trust in the credibility and coordinated operation of the GloBE framework.

Importantly, and as noted above, such a deferral would not weaken the policy intent of Pillar Two. It would not delay the imposition or collection of top-up tax where due. Rather, it would enhance the administrability of the regime at the moment it matters most.

Other jurisdictions have already made such a choice – either by formally providing an extension of the filing deadline (Australia<sup>2</sup>, Belgium<sup>3</sup>, Portugal<sup>45</sup>), or by having immaterial penalties for late filing to begin with if there is no top-up tax due (e.g. the UK).

## **7. Request**

We therefore respectfully request that the CRA:

- Waive the penalty set out in subsection 98(1) of the GMTA for all GIRs filed on or before September 30, 2026; and
- Advocate – together with the Department of Finance Canada - with the OECD Inclusive Framework for a coordinated extension.

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<sup>2</sup> <https://www.ato.gov.au/businesses-and-organisations/international-tax-for-business/in-detail/multinationals/global-and-domestic-minimum-tax/lodging-paying-and-other-obligations-for-pillar-two#ato-Deferrals>

<sup>3</sup> [Pillar 2 -Postponement of the deadline for filing the returns related to the Qualified Domestic Minimum Top-up Tax and the top-up tax according to the qualified Income Inclusion Rule \(IIR\) | FPS Finance](#)

<sup>4</sup> [https://info.portaldasfinancas.gov.pt/pt/informacao\\_fiscal/legislacao/Despachos\\_SEAF/Documents/Despacho-SEAF-76-2026-XXV.pdf](https://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/legislacao/Despachos_SEAF/Documents/Despacho-SEAF-76-2026-XXV.pdf)

<sup>5</sup> <https://taxnews.ey.com/news/2026-1260-portugal-extends-deadline-for-filing-pillar-two-globe-information-return-and-top-up-tax-assessment-return-for-fy2024>

We remain fully supportive of the objectives of Pillar Two and stand ready to engage constructively on its successful implementation. We will also be forwarding a copy of this letter to the Department of Finance Canada.

Members of the Joint Committee and others in the tax community participated in the discussion concerning this submission and contributed to its preparation, including:

- Harry Chana – BDO Canada
- Mark Dumalski – Deloitte
- Camille Dykmans – EY
- Ryan Minor – CPA Canada
- Anjali Navkar – Torys LLP
- Rachael Ogilvie-Harris – KPMG
- Angelo Nikolakakis – EY Law LLP
- Ram Rathod – BDO Canada
- Megan Seto – Deloitte
- Sharon Szeto – KPMG
- Jean-Charles van Huerck – EY

Yours truly,



Janette Pantry  
Chair, Taxation Committee  
Chartered Professional Accountants of Canada



Anu Nijhawan  
Chair, Taxation Section  
Canadian Bar Association



Canada Revenue Agency    Agence du revenu  
du Canada

June 22, 2026

The Joint Committee on Taxation of the Canadian Bar Association and Chartered Professional Accountants of Canada

By email

**Subject: Request for a waiver of penalties for GloBE Information Returns (GIRs) filed on or before September 30, 2026**

Dear Ms. Pantry and Ms. Nijhawan:

Thank you for your correspondence dated June 17, 2026 requesting a waiver of penalties for GloBE Information Returns (GIRs) filed on or before September 30, 2026.

Since the Pillar Two/Global Minimum Tax regime was introduced in late 2021, the Organisation for Economic Co-operation and Development (OECD) and implementing jurisdictions have worked together to prepare tax administrations, as well as qualifying multinational enterprise (MNE) groups, to meet the requirements for the first filing due date of June 30, 2026.

The CRA recognizes that the introduction of the Global Minimum Tax Act (GMTA) in Canada and globally represents a new, significant and complex undertaking for many MNEs and that MNEs and their representatives are working diligently to comply. We also acknowledge the concerns you have raised; we considered them carefully.

As discussed during our June 22, 2026, meeting, given the length of time that MNE groups and their tax advisors have been aware of the June 30, 2026, filing deadline, along with the readiness of the Canada Revenue Agency's (CRA) systems for registration, certification and filing which have been communicated across numerous channels, no blanket waiver of penalties under subsection 98(1) of the Global Minimum Tax Act (GMTA) will be granted at this time.

MNEs and their representatives are expected to make reasonable efforts to file the relevant returns by June 30, 2026. That said, the CRA is prepared to exercise flexibility and discretion if, despite reasonable efforts, MNEs or their representatives are unable to file on time. They should maintain appropriate documentation supporting their filing and reach out to the CRA if they have specific technical questions or encounter system issues.

## CRA's GMT Implementation

In spring 2025, the CRA announced that its system for registration for a global minimum tax account (PT account) would open on October 20, 2025 for constituent entities requiring a PT account. The CRA opened its Certification Testing (CT) environment in January 2026, providing MNEs an early validation process to avoid delays and issues when filing their first return(s) and/or notification. Additionally, the CRA's filing environment, which underwent rigorous testing beyond what is normal for such implementations, opened for filing of the GIR, GIR Notification, and Global Minimum Tax Return (GMTR) on February 23, 2026.

As of today, the CRA has received many successful GIR filings and there are no reported issues with either the registration or filing system. Volume has not been a problem either, with CRA systems being accustomed to handle vast amounts of data. That said, we recognize that filings from both domestic and foreign-parented entities may increase closer to the deadline and should system issues arise, the CRA has a dedicated team in place to provide clear direction and to take the appropriate steps to ensure filers are not unduly impacted by penalties.

With respect to the matter of mandatory electronic filing (JSON/XML formats) and validation requirements increasing compliance burden, especially due to iterative error correction processes, the CRA is transitioning all filings to electronic formats, consistent with modern tax administration practices. Additionally:

- The GIR must be submitted in a standardized XML format to enable international coordination and consistent exchange across jurisdictions.
- The OECD developed and released the XML format. The OECD also held public consultation on the Draft User Guide for the GloBE Information Return XML Schema in mid-2024. Canadian stakeholders such as CPA Canada and the Joint Committee on Taxation were invited to provide feedback.
- The CRA validation processes are structured as follows:
  - Authorization errors (e.g., incorrect credentials such as incorrect account number, or missing or incorrect API token) are identified immediately and sequentially. These items must be sequential in order to validate the filer and save the file in our database.
  - GIR validation checks (based on the OECD Status Message XML Schema) are subsequently processed with all relevant issues reported via standardized status messages.
- This approach is based on internationally agreed validations and is not unique to Canada.

Regarding the point raised that the delays in international exchange frameworks and technical infrastructure reduce the practical value of timely filing, note that filing requirements under the GMTA operate independently of the readiness of exchange partners. Maintaining the deadline supports consistency in the implementation of the GloBE framework and allows the CRA to start data preparation to meet the exchange deadline. In addition, consistent with the Common Understanding released by the OECD, the CRA announced that it will not seek to enforce local GIR filing obligations before the GIR exchange deadline for the 2024 fiscal year of December 31, 2026 where certain conditions are met relating to a reasonable expectation that the GIR will be received on exchange by that date.

Another issue raised in your letter is the complex, multi-jurisdictional data requirements and evolving rules, which make timely filing difficult, especially for first-time filers. These challenges are noted and have been known for several years. Indeed, the concerns/difficulties for the initial filing cycle were anticipated and not unexpected given the scale and ambition of the GMT framework, which is why significant advance notice was provided. The CRA held stakeholder engagement sessions in November 2025 and regularly provided information about the GMT implementation on its website and at stakeholder meetings, roundtables and conferences.

### **Practical considerations**

With regard to the penalties under subsection 98(1) of the GMTA for failure to file the GIR and GIR Notification, please note that this penalty applies for the number of completed months where a relevant return is not filed. Based on this, in a case where the GIR filing deadline is June 30, 2026, as long as the relevant filings are completed prior to the end of July 2026, no failure to file penalties will apply.

Additionally, under subsection 98(3) of the GMTA there may be relief from penalties under subsection 98(1) of the GMTA for years beginning before January 1, 2027 and ending before July 1, 2028 where, in the opinion of the Minister, an entity used reasonable measures to ensure the correct application of the provisions of the Act.

Please note that subsection 98(3) applies to the filing of the GIR and GIR Notification and no such relief extends to late filed GMTRs. Subsection 99(1) of the GMTA applies to late filed returns under section 61, with the penalty being equal to 5% of the tax payable that was unpaid on the day on which the return was required to be filed and 1% of the unpaid amount multiplied by the number of completed months until the GMTR is filed, to a maximum of 12 months. Where MNE groups are struggling to file their GMTR by the filing date, they can avoid any penalties by ensuring they have paid the balance owing by the due date.

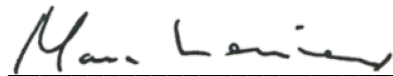
**CRA's position**

As with any new regime, the CRA is committed to supporting MNEs and their representatives in their compliance efforts and will take a reasonable and measured approach, informed by the facts and circumstances of each case. We have dedicated teams available via [webform](#) for any GMTA related questions.

We appreciate your continued cooperation and engagement, and we look forward to working with you as we get through this first filing cycle together.

If you have any questions regarding this letter or require additional clarification, please contact Priceela Pursun, Director General, International and Large Business Directorate (Priceela.Pursun@cra-arc.gc.ca).

Sincerely,



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Marc Lemieux

Assistant Commissioner, Compliance Programs Branch  
Canada Revenue Agency