

APPENDIX A

LIST OF RELEVANT LEGISLATION

List of Laws for the CRA

The following Laws of Canada (and their related regulations), as amended from time to time, provide for the imposition or collection of a tax or duty:

Income Tax Act, R.S.C. 1985, (5th Supp.) c. 1

Excise Tax Act, R.S. 1985, c. E-15

Excise Act, 2001, 2002, c. 22

Excise Act, R.S. 1985, c. E-14

Softwood Lumber Products Export Charge Act, 2006, 2006, c.13

The following Laws of Canada (and their related regulations), as amended from time to time, are administered in part by the CRA:

Canada Pension Plan, R.S.C 1985, c. C-8 (Part 1)

Employment Insurance Act, R.S.C. 1996, c. 23 (Parts IV and VII)

The following Laws of Canada (and their related regulations), as amended from time to time, are also relevant to the administration of this MOU:

Canada Revenue Agency Act, S.C. 1999, c. 17

Privacy Act, R.S. 1985, c. P-21

List of Laws for BC Finance

The following Laws of British Columbia (and their related regulations), as amended from time to time, provide for the imposition or collection of a tax or duty:

Carbon Tax Act, S.B.C. 2008, c.40

Consumption Tax Rebate and Transition Act, S.B.C. 2010, c.5

Corporation Capital Tax Act, R.S.B.C. 1996, c.73

Employer Health Tax Act, S.B.C. 2018, c.42

Forest Act, R.S.B.C. 1996, c.157

Hotel Room Tax Act, R.S.B.C. 1996, c.207

Income Tax Act, R.S.B.C. 1996, c.215

Insurance Premium Tax Act, R.S.B.C. 1996, c.232

Logging Tax Act, R.S.B.C. 1996, c.277

New Housing Transition Tax and Rebate Act, S.B.C. 2012, c.31

Mineral Tax Act, R.S.B.C. 1996, c.291

Motor Fuel Tax Act, R.S.B.C. 1996, c.317

Petroleum and Natural Gas Act, R.S.B.C. 1996, c.361

Property Transfer Tax Act, R.S.B.C. 1996, c.378

Provincial Sales Tax Act, S.B.C. 2012, c.35

Social Service Tax Act, R.S.B.C. 1996, c.431

Speculation and Vacancy Tax Act, S.B.C. 2018, c.46

Taxation (Rural Area) Act, R.S.B.C. 1996, c.448

Tobacco Tax Act, R.S.B.C. 1996, c.452

The following Laws of British Columbia (and their related regulations), as amended from time to time:

Real Estate Development Marketing Act, S.B.C. 2004, c. 41

Pension Benefits Standards Act, R.S.B.C. 1996, c.352

The following Laws of British Columbia (and their related regulations), as amended from time to time, are also relevant to the administration of this MOU:

Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996, c.165

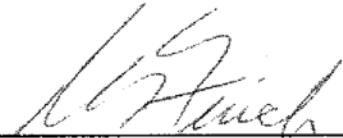
PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

162

, Approved and Ordered

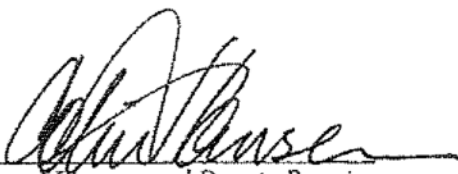
MAR 25 2010



~~Lieutenant Governor~~
Administrator

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that approval be given for the Ministry of Finance and the Canada Revenue Agency to enter into an information sharing agreement, substantially in the form as attached.



Minister of Finance and Deputy Premier



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:- *Income Tax Act*, R.S.B.C. 1996, c. 215, s. 65 (2); *Logging Tax Act*, R.S.B.C. 1996, c. 277, s. 14.1

Other (specify):-

March 5, 2010

O/173/2010/86

MEMORANDUM OF UNDERSTANDING

**ESTABLISHING AN ADMINISTRATIVE FRAMEWORK
FOR THE GENERAL PROVISION OF INFORMATION
AND THE PROMOTION OF COOPERATION AND MUTUAL ASSISTANCE**

BETWEEN

THE CANADA REVENUE AGENCY

as represented herein by the Commissioner of Revenue
(hereinafter referred to as the CRA)

AND

THE BRITISH COLUMBIA MINISTRY OF FINANCE

as represented herein by the Deputy Minister of Finance
(hereinafter referred to as BC Finance)

Effective date:

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1. PURPOSE

- 1.1 This Memorandum of Understanding (MOU) establishes the administrative framework for the provision of Information by the CRA and BC Finance, describes the Information that may be released and sets out the terms and conditions that apply to the release of Information.
- 1.2 This MOU supports the development of joint initiatives between the CRA and BC Finance promoting cooperation and mutual assistance to maintain and improve the efficiency of their respective tax administration systems.
- 1.3 This MOU replaces the "Memorandum of Understanding to Exchange Information and Enhance Cooperation between the Government of Canada and the Government of the Province of British Columbia" signed November 19, 1998, except as it relates to matters under the jurisdiction of the Canada Border Services Agency.

2. LEGISLATIVE AUTHORITIES

- 2.1 Pursuant to section 69 of the *Income Tax Act* (British Columbia) and section 7 of the *Federal-Provincial Fiscal Arrangements Act*, the Government of the Province of British Columbia (British Columbia) and the Government of Canada (Canada) have entered into a *Tax Collection Agreement* (TCA) effective January 1, 2004, whereby the Minister of National Revenue collects and administers British Columbia's personal and corporate income tax and remits those taxes to British Columbia.
- 2.2 The CRA, as agent of British Columbia, may collect, use and disclose Taxpayer Information required by the *Income Tax Act* (British Columbia) to the extent authorized by the Laws of British Columbia.
- 2.3 The CRA is responsible for the collection of income tax under the *Income Tax Act* (Canada) and the *Income Tax Act* (British Columbia) as well as the goods and services tax under the *Excise Tax Act*, and excise duty and tax under the *Excise Act* and the *Excise Act, 2001*.
- 2.4 Section 61 of the *Canada Revenue Agency Act* authorizes the CRA to enter into contracts, agreements or other arrangements with governments, public or private organizations and agencies or any person in the name of Her Majesty in right of Canada or in its own name.
- 2.5 Paragraph 65(2)(a) of the *Income Tax Act* (British Columbia), authorizes the Provincial Minister (the Minister of Finance), with the approval of the Lieutenant Governor in Council, to enter into an information sharing agreement with Canada or an agency of that government.
- 2.6 Section 14.1 of the *Logging Tax Act* (British Columbia), authorizes the Minister of Finance, with the approval of the Lieutenant Governor in Council, to enter into an information sharing agreement with Canada or an agency of that government.

- 2.7 Appendix A lists the federal and provincial Laws which pertain to the provision of Information by the CRA and BC Finance under this MOU.
- 2.8 Under clause 4.5(1) of the TCA, the Minister of National Revenue will, only for purposes authorized under section 241 of the *Income Tax Act* (Canada) or under the Law of British Columbia, make available for examination by the Minister of Finance, any Taxpayer Information that relates to the taxable income or taxable income earned in Canada, as the case may be, under the *Income Tax Act* (Canada) and the tax payable under the *Income Tax Act* (British Columbia), and any other information with respect to assessments, collections and payments.
- 2.9 Taxpayer Information that is collected by the CRA solely under the authority of the *Income Tax Act* (British Columbia) will be provided to BC Finance under the authority of that Act.

3. DEFINITIONS AND INTERPRETATION

- 3.1 The following definitions apply to this MOU and its Appendices:

“Confidential Information” means confidential information as defined in Part IX of the *Excise Tax Act*, in the *Excise Act, 2001* and in the *Softwood Lumber Products Export Charge Act, 2006*;

“Information” means the facts and records about an individual, corporation or trust, in any form, including Confidential Information, Personal Information, Protected Information and Taxpayer Information, whether readable by human being or machine, and whether capable of being transmitted by mail, telephone, fax, computer or any other physical or electronic means;

“Law” means, with respect to the CRA, an Act of Parliament listed in Appendix A and, with respect to BC Finance, an Act of the Legislature listed in Appendix A, and includes all related Regulations, as amended from time to time;

“Official” means any person who is employed in the service of, who occupies a position of responsibility in the service of, or who is engaged by or on behalf of the CRA or BC Finance, or any person who formerly occupied such a position;

“Party” or “Parties” means either the CRA, BC Finance or both, depending on the context in which it appears;

“Personal Information” means personal information as defined in the *Freedom of Information and Protection of Privacy Act* (British Columbia) and/or the *Privacy Act* (Canada), depending on the context in which it appears;

“Protected Information” means information in the custody of the CRA and/or BC Finance that is obtained or created under the authority of their respective program or tax legislation. This information, on its own or in conjunction with other information, can reveal the identity of the person or entity to which it relates. Protected Information includes Taxpayer Information, Confidential Information, Personal Information and information collected under the provincial Laws set out in Appendix A; and

“Taxpayer Information” means taxpayer information as that term is defined in the *Income Tax Act* (British Columbia) and/or the *Income Tax Act* (Canada), depending on the context in which it appears.

- 3.2 This MOU should not be interpreted as limiting any of the rights or obligations of the CRA or BC Finance to share Information, or affecting their respective obligations to keep Information confidential, under any other agreement to which either the CRA or BC Finance is a party.
- 3.3 This MOU should not be interpreted as restricting Canada’s and British Columbia’s rights and obligations under the TCA. This MOU should be interpreted to be consistent with and in addition to Canada’s and British Columbia’s rights and obligations under the TCA.
- 3.4 Each Appendix to this MOU forms an integral part of this MOU.

4. GUIDING PRINCIPLES FOR THE PROVISION OF INFORMATION

- 4.1 The CRA and BC Finance agree that Information disclosed to each other under this MOU will be in accordance with the following:
 - (a) The onus will be on the requesting Party to demonstrate their legal authority to collect and their need for the requested Information to administer and/or enforce their program or tax legislation;
 - (b) The Information will be disclosed solely for the specific purposes authorized by a federal Law or a provincial Law that permits the disclosure of the Information.
 - (c) Information disclosed for the purposes described in paragraph (b) may subsequently be utilized to administer and enforce any other federal or provincial Law for which the legal authority to disclose Information under this MOU has been provided, in accordance with Appendix A;
 - (d) The Information provided under this MOU will not be disclosed to any other third party organization, including other federal or provincial departments, ministries or agencies, without the prior consent of the Party that provided the Information;

- (e) To ensure the effective administration of this MOU, the Parties agree to work cooperatively to develop and maintain a list of Information that will be disclosed to the other Party under this MOU. Items will be added to or removed from the list through an exchange of letters between the Officials identified in Appendix B who are responsible for receiving and approving new requests for Information; and
- (f) When Information is requested for the purposes of a criminal tax investigation, judicial authorization in the form of a search warrant or a production order is required.

- 4.2 The CRA or BC Finance may refuse to provide Information to the other where the disclosure would not be in its interest. However, this refusal to provide Information does not apply to Taxpayer Information and requires the approval of the Party's authorized official having overall responsibility for the administration of this MOU, as identified in Appendix B.

To demonstrate that such a refusal is not arbitrary, the official having overall responsibility for the administration of this MOU, as identified in Appendix B, will inform by way of a letter to the authorized official from the other Party, the nature of the refusal, including adequate reasons for the refusal.

- 4.3 The following Information shall not be provided under this MOU, unless the necessary authorization to disclose such Information is first obtained:
- (a) Information obtained from another government organization, whether foreign, aboriginal, municipal, provincial or federal where it was provided on condition that it not be further disclosed;
 - (b) scientific or technical Information of a confidential nature provided by a third party;
 - (c) Information subject to solicitor/client privilege; and
 - (d) Information provided in confidence by a third party.

New requests for information

- 4.4 Subject to clause 4.3, if the CRA or BC Finance requires Information on an ad hoc or one-time basis, a written request for the Information must be made at least 90 days before the date the Information is required. The written request shall be sent to the official identified in Appendix B who is authorized to receive and approve new requests for Information. The authorized official shall provide a written response within 90 days of receipt of the original request, including reasons for not approving the request if applicable.

- 4.5 Each written request for Information made under clause 4.4 of this MOU must include the following:
- (a) Details about the Official requesting the Information (name, position title, working area) and contact information (address, telephone number, facsimile number and/or email address);
 - (b) The specific Information requested;
 - (c) The years for which the specific Information is requested;
 - (d) The requesting organization's legal authority to collect the Information requested;
 - (e) The intended use of the Information, including the Law, program, activity or initiative for which the Information is requested;
 - (f) The type of medium to be used for the disclosure of Information (paper, electronic, etc.);
 - (g) The frequency of Information disclosure requested (e.g. is it a one-time, ad hoc request or a recurring, ongoing request? If recurring, what is the frequency? Monthly, annually, etc.);
 - (h) The length of time that the requesting organization will retain the Information;
 - (i) The manner in which the requesting organization will dispose of the Information at the end of the retention period (either destruction of the Information or return of the Information to the provider);
 - (j) The possibility of subsequent disclosure of the requested Information to a third party organization; and
 - (k) Any additional information that may assist in the evaluation or validation of the request and in the disclosure of the Information (e.g. any deadline linked to the Information requested).
- 4.6 When Information requests made under clause 4.4 are approved, the Information will be disclosed and used solely for the specific purposes authorized by the federal Law or provincial Law that permits the disclosure of the Information. If the Information is required on an ongoing basis, Appendix A will be amended, if necessary, in accordance with clause 9.8, to include the Laws that apply to the approved Information release.

5. CONFIDENTIALITY AND SECURITY OF INFORMATION

5.1 The general conditions and procedures for the security of Information provided under this MOU are outlined in Appendix C. Each Party will safeguard all Information provided by the other in accordance with protective measures similar or equivalent to the measures that are in place within the CRA as outlined in the security chart titled "Security Requirements for Handling Protected Canada Revenue Agency Information" in Appendix C. Information furnished under this MOU will be protected by:

- (a) restricting its access to persons to whom its communication is authorized by this MOU and who need it for a purpose authorized by this MOU;
- (b) controlling access to the premises where the Information is stored or used;
- (c) communicating the Information in a secure manner;
- (d) returning or destroying, in a secure manner, Information no longer required;
- (e) keeping and maintaining a record of requests for Information; and
- (f) notifying each other of any actual or suspected loss, or of any unauthorized disclosure or use of the Information.

5.2 The Parties will ensure that any contractor or any outside organization used for the handling, processing, transmitting, storing or destruction of Information fully complies with the security requirements specified in Appendix C.

5.3 The Information provided to BC Finance by the CRA under this MOU will be retained for the minimum period that is required by the Law and administrative policies of British Columbia. Thereafter, it will be immediately destroyed or returned to the CRA. The Information provided to the CRA by BC Finance under this MOU will be retained for the minimum period that is required by the Law and administrative policies of the CRA. Thereafter, it will be immediately destroyed or returned to BC Finance.

5.4 If either Party becomes aware that any Information obtained under this MOU has become subject to a request for information under federal or provincial legislation or a court order requiring its disclosure, that Party will notify the other of the request and consult with it as to the appropriate course of action to be taken in the context of any applicable legislation.

6. PERIODIC INTERNAL AUDITS

6.1 The CRA and BC Finance will conduct periodic internal audits with respect to the confidentiality and security of the Information provided by the Parties to each other under this MOU and/or any of its Appendices.

- 6.2 Internal audits will be conducted at a mutually agreed time determined by the CRA and BC Finance, taking into consideration the results of the previous audit.
- 6.3 The internal audits will use a risk-based approach to provide reasonable assurance that:
- (a) the Information is being used, disclosed, retained and disposed of in accordance with the terms and conditions set out in this MOU and the federal and provincial laws providing for its use, disclosure, retention and disposition; and
 - (b) the security processes and procedures that are outlined in 5.1 are being observed.
- 6.4 The audit report, and any related action plans, resulting from the internal audit will be sent, within one month of the final approval of the report, to the authorized officials having overall administrative responsibility for this MOU, as identified in Appendix B.

7. COOPERATION AND MUTUAL ASSISTANCE

- 7.1 The CRA and BC Finance agree to work cooperatively and to provide assistance to each other to ensure the Parties maintain and improve the efficiency of their tax administration. Authorized Officials identified in Appendix B, or their designate, may develop joint initiatives for purposes including, but not restricted to, promoting and enhancing client education, improving client services, detecting and curbing underground economy, or enhancing working relationships between the CRA and BC Finance.
- 7.2 The CRA and BC Finance may communicate Information to each other on their own volition, where in their opinion the Information would be needed for the administration of the other Party's laws and similar Information has already been requested by and communicated to the other Party in the past. Authorized officials identified in Appendix B will establish communication channels for this purpose.

8. FINANCIAL ARRANGEMENTS

- 8.1 The CRA and BC Finance agree that, as a general principle, the Information exchanged under this MOU will be provided free of charge, on a reciprocal basis. If necessary, the CRA and BC Finance will determine together the funding of new Information requests or modifications to existing Information exchanged.

9. ADMINISTRATIVE PROCEDURES

Authorized officials

- 9.1 The persons occupying the positions of the signatories to this MOU may designate Officials, for the CRA and BC Finance, who will be responsible for carrying out the terms and conditions of this MOU and its Appendices.
- 9.2 Other Officials are designated to be the points of contact for the purposes of this MOU. Appendix B identifies those designated Officials and their specific responsibilities for carrying out the terms and conditions of this MOU and its Appendices.

Date in effect and application

- 9.3 This MOU comes into effect on the date it is signed by the last Party to do so, and will remain in effect until terminated by either Party in accordance with clause 9.9 or formally replaced by another MOU.
- 9.4 A successor to a Party to this MOU becomes a Party to this MOU.

Review

- 9.5 Both Parties agree to review periodically, as needed, the terms, conditions and procedures set out in this MOU and its Appendices.

Amendments

- 9.6 This MOU may be amended at any time, with the mutual consent of the Parties, by an exchange of letters between the persons occupying the positions of the signatories to this MOU.
- 9.7 Appendix B may be amended at any time, with the mutual consent of the Parties, by an exchange of letters between the persons occupying the positions of the signatories to this MOU.
- 9.8 Any of the Appendices, except Appendix B, may be amended at any time, with the mutual consent of the Parties, by an exchange of letters between the authorized Officials identified in Appendix B.

Termination

- 9.9 Subject to clause 9.11, either Party reserves the right to terminate this MOU by giving a six-month written notice of termination to the other Party. For this purpose, the notice must be given by a person occupying the position of the signatory to this MOU. This MOU may also be terminated at any time with the concurrence of the Parties expressed by an exchange of letters between the persons occupying the positions of the signatories to this MOU.

- 9.10 Either Party reserves the right to suspend this MOU, or any portion thereof, in the event of non-compliance with the provisions regarding the use, security, confidentiality, collection, disclosure, maintenance, retention, destruction, or disposal of the Information that are contained herein. The Party wishing to suspend this MOU will send to the other Party a written notice stating the reasons for suspension and the latter Party will remedy the situation to the satisfaction of the first Party, failing which the MOU may be terminated. For this purpose, the notice must be given by a person occupying the position of the signatory to this MOU.
- 9.11 Should clause 9.9 or 9.10 be used, the confidentiality and security of Information provisions in clauses 5.1 to 5.5, and the security requirements outlined in Appendix C will continue to apply to the Information that has already been provided.
- 9.12 Subject to clause 9.11, on termination of this MOU, all rights and obligations of both Parties under this MOU will cease to be in force except the obligation for account reconciliation and the issuance of a final invoice, if appropriate.

Dispute resolution

- 9.13 Any unresolved dispute with respect to this MOU will be referred to the appropriate authorized Officials identified in Appendix B for consideration and resolution. If those Officials are not able to resolve the dispute, the dispute will be referred to the Senior Management Committee (SMC) for discussion. Should the SMC be unable to resolve the dispute, the dispute will be referred to the persons occupying the positions of the signatories to this MOU.

Communications

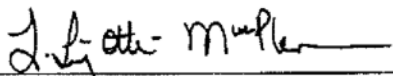
- 9.14 The CRA and BC Finance will notify each other before any public communications material, including news releases, media material or other information prepared in relation to this MOU, is released.

Sustainability

- 9.15 The CRA and BC Finance agree to carry out their respective mandate in a way that will have a positive impact on the economic and social well being of Canadians and reduce the effects of its operations on the environment.

IN WITNESS THEREOF, this Memorandum of Understanding is signed in duplicate, each copy being equally authentic.

FOR THE CANADA REVENUE AGENCY



LINDA LIZOTTE-MacPHERSON
Commissioner of Revenue

JAN 18 2010

DATE

FOR THE BRITISH COLUMBIA MINISTRY OF FINANCE

GRAHAM WHITMARSH
Deputy Minister of Finance

DATE

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Excise Act, 2001, 2002, c. 22

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Employment Insurance Act, R.S.C. 1996, c. 23 (Parts IV and VII)

The following Laws of Canada (and their related regulations), as amended from time to time, are also relevant to the administration of this MOU:

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Forest Act, R.S.B.C. 1996, c.157

Hotel Room Tax Act, R.S.B.C. 1996, c.207

Income Tax Act, R.S.B.C. 1996, c.215

Insurance Premium Tax Act, R.S.B.C. 1996, c.232

Logging Tax Act, R.S.B.C. 1996, c.277

Mineral Tax Act, R.S.B.C. 1996, c.291

Motor Fuel Tax Act, R.S.B.C. 1996, c.317

Property Transfer Tax Act, R.S.B.C. 1996, c.378

Social Service Tax Act, R.S.B.C. 1996, c.431

Taxation (Rural Area) Act, R.S.B.C. 1996, c.448

Tobacco Tax Act, R.S.B.C. 1996, c.452

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The following Laws of British Columbia (and their related regulations), as amended from time to time, are also relevant to the administration of this MOU:

Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996, c.165

LIST OF DESIGNATED OFFICIALS

Designated CRA Officials

- **For the overall responsibility for the administration of this MOU and its Appendices, and for receipt of the audit report (see clause 6.4):**

Assistant Commissioner
Corporate Strategies and Business Development Branch
Canada Revenue Agency
Connaught Building, 6th Floor
555 MacKenzie Avenue
Ottawa ON K1A 0L5

Telephone: 613-952-3660
Fax: 613-941-3438

- **For receiving and approving new requests for Information, for the periodic reviews of the MOU (see clause 9.5), for making amendments to the Appendices, except Appendix B, (see clause 9.8) and for dispute resolution (see clause 9.13):**

Director
Provincial and Territorial Affairs Division
Client Relations Directorate
Corporate Strategies and Business Development Branch
Canada Revenue Agency
Place de Ville, Tower A, 21st Floor
320 Queen Street
Ottawa ON K1A 0L5

Telephone: 613-941-8543
Fax: 613-946-2937

- **For the purposes of protecting all Information and reporting of security breaches under this MOU (see clause 5.1 and Appendix C):**

Director General
Security, Risk Management and Internal Affairs Directorate
Finance and Administration Branch
Canada Revenue Agency
6th Floor
250 Albert Street
Ottawa ON K1A 0L5

Telephone: 613-948-2449
Fax: 613-948-2450

- **The following CRA officials are responsible for managing the release of Information to BC Finance. They may identify delegates or other designated Officials, at tax services offices, tax centres, and headquarters, who may receive and process BC Finance requests for Information.**

Account Executive, Pacific Region
Client Relations Directorate
Corporate Strategies and Business Development Branch
Canada Revenue Agency
(800-1188 WG), 9755 King George Highway
Surrey BC V3T 5E1

Telephone: 604-666-8504
Fax: 604-666-1028

Various Assistant Directors in Tax Services Offices or Tax Centres
Note: The Account Executive, Pacific Region, can help BC Finance designated officials liaise with CRA designated officials in tax services offices.

Director
Statistical Services Division
Statistics and Information Management Directorate
Corporate Strategies and Business Development Branch
Canada Revenue Agency
Leima Building, 2nd Floor
410 Laurier West,
Ottawa ON K1A 0L5

Telephone: 613-946-0925
Fax: 613-941-4232

Various Directors in Headquarters
Note: The Director, Provincial and Territorial Affairs Division, or the Director, Statistical Services Division, can help BC Finance designated Officials liaise with CRA designated Officials in Headquarters.

Designated BC Finance Officials

- **For the overall responsibility for the administration of this MOU and its Appendices, and for receipt of the audit report (see clause 6.4):**

Assistant Deputy Minister
Revenue Programs Division
British Columbia Ministry of Finance
7th Floor
1802 Douglas Street
Victoria BC V8T 4K6

Telephone: 250-387-0665
Fax: 250-387-6218

- **For receiving and approving new requests for Information, for the periodic reviews of the MOU (see clause 9.5), for making amendments to the Appendices, except Appendix B, (see clause 9.8) and for dispute resolution (see clause 9.13):**

Commissioner of Income Tax
Income Taxation Branch
Revenue Programs Division
British Columbia Ministry of Finance
5th Floor
1802 Douglas Street
Victoria BC V8T 4K6

Telephone: 250-387-3320
Fax: 250-356-9243

- **For the purposes of protecting all Information and reporting of security breaches under this MOU (see clause 5.1 and Appendix C):**

Chief Information Officer and Executive Director
Information Management Branch
Corporate Services Division
British Columbia Ministry of Finance
2nd Floor
1810 Blanshard Street
Victoria BC V8T 4K6

Telephone: 250-356-1165
Fax: 250-356-1740

APPENDIX B (cont'd)

- **The following BC Finance officials are responsible for managing the release of Information to the CRA. They may identify delegates who may receive and process CRA requests for Information.**

Director
Income Tax Advisory and Intergovernmental Relations
Income Taxation Branch
Revenue Programs Division
British Columbia Ministry of Finance
1802 Douglas Street
Victoria BC V8T 4K6

Telephone: 250-953-3091
Fax: 250-356-9243

Director
Income Tax Programs
Income Taxation Branch
Revenue Programs Division
British Columbia Ministry of Finance
1802 Douglas Street
Victoria BC V8T 4K6

Telephone 250-387-3968
Fax 250-356-9243

SECURITY

General Conditions

1. All Information the CRA and BC Finance provide to each other under this MOU will only be used for the specific purpose for which it is provided. The CRA and BC Finance will ensure that procedures are in place to protect the Information from any further disclosure.
2. All Information received by the CRA and BC Finance under this MOU will be maintained and accounted for in accordance with their information management policies and procedures.
3. The CRA and BC Finance will ensure that access to Information provided under this MOU is controlled and limited to employees or consultants it hires who:
 - have a job-related need to know the information;
 - have a security clearance;
 - have been briefed on the provisions of sections 239 and 241 of the *Income Tax Act* (Canada), and sections 295 and 328 of the *Excise Tax Act* (Canada); and
 - have agreed to maintain the confidentiality of Information and to uphold the security measures which are required to adequately safeguard the Information.
4. Should access to Information be granted to a consultant hired by the CRA or BC Finance, the consultant will undertake contractually to observe the security measures outlined in this MOU.
5. The CRA and BC Finance will safeguard all recorded and electronic Information provided under this MOU by applying adequate protective measures. The protective measures in place within the CRA are attached in chart form.
6. The principles that govern the physical destruction of the Information are as follows:
 - Records destruction should be carried out in a way that protects the confidentiality of any Information they contain.
 - The approved methods of destruction for the types of media used, which are described in the chart "Security Requirements for Handling Protected Canada Revenue Agency Information" or other methods as agreed to by both Parties, must be observed.
 - All copies of records that are authorized for destruction, including security copies and backup copies, must be destroyed.

Security Incident Procedures

7. Any loss, suspected loss, or unauthorized disclosure of or access to Information provided under this MOU must be reported immediately, by telephone, to:

For the CRA:

Security, Risk Management and Internal Affairs Directorate, at 613-948-2449 (Monday to Friday; between 8:00 a.m. and 4:00 p.m., Eastern Time) and at 613-239-4414 during all other hours and on weekends and holidays;

For BC Finance:

Director, Information Protection, at 250-387-0715 (Monday to Friday; between 8:00 a.m. and 4:30 p.m., Pacific Time).

8. The following details must be provided:
- a description of the Information involved;
 - the date and place of the incident;
 - the circumstances surrounding the incident;
 - the extent of known or probable compromise and the identity of unauthorized persons who had or are believed to have had access to the Information;
 - the action taken or contemplated to remedy the situation; and
 - any further details which may assist in assessing the loss or compromise.
9. A written follow-up report on an event described in clause 8 is to be forwarded as soon as possible to:

For the CRA:

Director General
Security, Risk Management and Internal Affairs Directorate
Finance and Administration Branch
Canada Revenue Agency
6th Floor
250 Albert Street
Ottawa ON K1A 0L5

For BC Finance:

Chief Information Officer and Executive Director
Information Management Branch
Corporate Services Division
British Columbia Ministry of Finance
2nd Floor
1810 Blanshard Street
Victoria BC V8T 4K6

The report will include the details noted in clause 8 above as well as the results of any investigation conducted following the initial search and notification. The report will include the steps that are being taken to prevent a similar loss from occurring in the future.

4. The CRA's Security, Risk Management and Internal Affairs Directorate and BC Finance will be notified if the Information referred to in clause 8 above is subsequently found, including the circumstances under which it was found.



SECURITY REQUIREMENTS FOR HANDLING PROTECTED CRA INFORMATION

The security standards outlined in this chart represent the handling requirements for the potential types of media that may be used by the CRA.

MEDIA ¹	PROCESSING ²	MARKING ³	STORAGE ⁴	DESTRUCTION ⁴	ERASURE	COMMUNICATION	
						Electronic Transmission	Mail ^{5,6}
Documents and Printouts	Process	Mark "PROTECTED A" in upper case letters in the upper right hand corner on the face of the cover page. Mark "PROTECTED B" in upper case letters in the upper right corner of each page of the document, number each page.	Store in locked drawer or approved container	Use type III cross-cut shredder ⁷ : General office use: 2 mm x 15 mm (maximum shred size) Bulk destruction: 6 mm x 50 mm (maximum shred size)	Not applicable	Not Applicable	Use two gum-sealed envelopes
Non-removable hard disks (includes desktop & laptop/notebook systems)	Process ⁸	Mark on casing and outer container <u>when</u> removed from the computer system	Access controls (UserID and Password) Encrypt ⁸ Physical access controls to area	Discard if encrypted Remove hard disks - shred/cut - minimum 3 pieces	Approved degausser ⁹ Triple Overwrite ¹⁰ (1's, 0's, random)	Encrypt data ⁸	Package in a solid container
Portable Media Magnetic: hard drives, floppy disks, tapes, stripe cards	Process ⁸	Hard drives: mark on casing or outer container Tapes: mark on cartridge or cassette Floppy disks: mark on face of surface	Encrypt ⁸ Store away from magnetic sources, in locked drawer or approved container	Disks/Tapes: Discard if encrypted Disks - shred/cut - minimum 3 pieces Tapes - shred/cut - 50 mm pieces Stripe Cards: Shred/cut into < 160 mm ² pieces (e.g., 12.7 mm x 12.7 mm)	Disks/Tapes: Approved degausser ⁹ Triple Overwrite ¹⁰ (1's, 0's, random) Stripe Cards: Not Applicable	Encrypt data ⁸	Package in a solid container Diskettes: use two gum-sealed envelopes (if possible, use a media mailer as the inner envelope)



SECURITY REQUIREMENTS FOR HANDLING PROTECTED CRA INFORMATION

MEDIA ¹	PROCESSING ²	MARKING ³	STORAGE ⁴	DESTRUCTION ⁴	ERASURE	COMMUNICATION	
						Electronic Transmission	Mail ^{5,6}
<i>Optical: CD/DVD</i>	Process ⁸	Mark on face of surface	Encrypt ⁸ Store in locked drawer or approved container	Discard if encrypted CD's only - grind surface to remove coloured layer CD/DVD - shred/cut into < 160 mm ² pieces (e.g., 12.7 mm x 12.7 mm)	Not Approved ¹¹	Encrypt data ⁸	Package in a jewel case, then use two gum-sealed envelopes
<i>Miniature Electronic Storage Devices & PDA's: USBs, "flash", EEPROM, miniature glass disk drives</i>	Process ⁸	Mark on face of surface	Encrypt ⁸ Store in locked drawer or approved container	<u>USB/flash/EEPROM:</u> Discard if encrypted Shred/cut into < 160 mm ² pieces (e.g., 12.7 mm x 12.7 mm) Grind chip <u>Miniature Glass Drives:</u> Discard if encrypted Shred/cut into < 160 mm ² pieces (e.g., 12.7 mm x 12.7 mm) Grind entire device	<u>USB/flash/EEPROM:</u> Overwrite ¹⁰ , execute erase function <u>Miniature Glass Drives:</u> Not approved ¹¹	Encrypt data ⁸	Package in a solid container
<i>Microfilms</i>	Process	Mark on cartridge, reel or cassette as well as the inside and outside of canisters	Store away from magnetic sources, in locked drawer or approved container	Use 5.00 mm strip cut shredder ⁷	Not Applicable	Not Applicable	Package in a solid container



SECURITY REQUIREMENTS FOR HANDLING PROTECTED CRA INFORMATION

MEDIA ¹	PROCESSING ²	MARKING ³	STORAGE ⁴	DESTRUCTION ⁴	ERASURE	COMMUNICATION	
						Electronic Transmission	Mail ^{5,6}
<i>Microfiches</i>	Process	Mark on each fiche/frame the fiche # and total # of fiche on each fiche/frame at the header line at the center of the top and bottom of each fiche/ frame	Store away from magnetic sources, in locked drawer or approved container	Use 5.00 mm strip cut shredder ⁷	Not Applicable	Not Applicable	Use two gum-sealed envelopes
<i>Local Area Networks (LANs) Servers (includes RAID drives)</i>	Process ⁸	Mark on casing and outer container <u>when</u> removed from the computer system	Access controls (UserID and Password) Encrypt ⁸ or use physical access controls Physical access controls for LAN rooms or facilities	Discard if encrypted Remove hard disks - shred/cut - minimum 3 pieces	Approved degausser ⁹ Triple Overwrite ¹⁰ (1's, 0's, random)	Encrypt data ⁶	Package in a solid container



SECURITY REQUIREMENTS FOR HANDLING PROTECTED CRA INFORMATION

1 Normally an organization would not use all the different types of media noted in this chart. For convenience, the current methods used by CRA are included. The organization will only need to take note of the security standards for the type(s) of media they will be using. For example, if only hardcopy documents and printouts are being used, the remaining electronic media would not be applicable.

2 Protected information is to be processed in an area where access is limited only to authorized individuals or properly escorted visitors. These areas are to be monitored on a regular basis. An audit trail of all accesses to client information is to be maintained (data elements: *identity of the person, time and date of the access, and type of transaction made*).

3 The marking Protected A or Protected B is to appear at all times on all documents and on media containing readable (clear text) data.

4 For the various types of handling procedures, there is no requirement to follow each option in every instance – the most applicable option should be chosen dependent upon the circumstances. For example, for Destruction of Removable media, the method chosen would be the one that best suits the requirements, such as cutting diskettes into strips. It is not necessary to grind the surface of a hard disk and then smash with a hammer – one of the options is sufficient in order to ensure that no information stored on the hard disk can be retrieved.

5 Send by priority courier, registered mail, private courier or diplomatic bag. Proof of mailing and a record of transit and delivery are to be provided by the courier.

6 The address is to appear on both envelopes with the security marking - "*To be opened by addressee only*" - on the inner envelope only. When using a solid container, secure container with a padlock or with plastic or metal ties so it cannot be opened unless it is broken.

7 The shredder cut must be fine enough that information cannot be re-pieced back together from the cut pieces. Bulk destruction means the destruction of large amounts of material in a single session. A large amount means at least one ream (500 sheets) or approximate equivalent (such as a full refuse bag) in a single session. RCMP Security Equipment Guide: Type III (cross-cut shredder), Microfiches & Microfilms shredder: SEM Model Micro DoD.

8 Data encrypted under approved CRA algorithms can be treated as non-sensitive. Systems processing/storing the information are to be protected with access controls and encryption when removed from the organization's premises. Files being electronically transmitted (i.e., email, FTP) are to be encrypted using CRA-approved algorithms. To ensure availability and integrity of data, on and off-site backups should be maintained and physical security protection applied. It is not necessary to encrypt information stored on servers provided the appropriate physical security measures are in place, i.e., the servers are in separate rooms with access controls and accessible only to authorized individuals.

9 A device that uses a magnet to permanently erase the information stored on the media.

10 If the Overwrite process does not erase all the data, or it cannot be verified that all the data is erased, the media is to be destroyed using the approved method.

11 Erasure is currently not approved as a clearing methodology for this type of media for federal government information as per ITGS-06 *Clearing and Declassifying Electronic Data Storage Devices (July 2006)* from the Communications Security Establishment Canada (CSEC). Existing erasure methods for this media are not trustworthy enough at this time to ensure data cannot be recovered. Destruction of the media must be done.