

# Osler submission on potential changes to the General Anti-Avoidance Rule

SEP 30, 2022 1 MIN READ

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Budget 2022 reiterated the federal government's commitment to modernize and strengthen the General Anti-Avoidance Rule (the GAAR) in section 245 of the *Income Tax Act*. A [consultation paper](#) released by the federal government on August 9, 2022, sets out sweeping potential changes that would have significant consequences to Canadian tax policy and undermine the ability of taxpayers to structure their commercial affairs in a tax-efficient manner. This outcome would be contrary to the government's stated intention, both at the time of the original enactment of the GAAR and in the consultation paper, to leave such arrangements intact.

In the [attached submission](#) [PDF], Osler takes the position that the broad changes under consideration are disproportionate to the concerns identified by the Department of Finance, undercut the long-standing jurisprudence surrounding the GAAR, and undermine the principles of certainty and predictability that the government seeks to preserve.