CRA Defers Implementation Date for Application of Advantage Rules to Investment Management Fees

September 27, 2017

On September 27, 2017, the Canada Revenue Agency (the "CRA") announced that it would be deferring the implementation date of the advantage tax rules to investment management fees from January 1, 2018 to January 1, 2019.

At the November 29, 2016 CRA round table hosted by the Canadian Tax Foundation, CRA representatives spoke to the application of the advantage rules to payments of management fees by the annuitant of an RRSP or RRIF or the holder of a TFSA ("registered plans"). At the round table, the CRA took the position that management fees paid by the registered plan annuitant or holder constitute an advantage under Part XI.01 of the *Income Tax Act* (Canada).

The CRA previously stated it would be releasing its Folio on the advantage rules in early 2017, with a proposed implementation date of January 1, 2018. However, the CRA is still considering a number of submissions from various stakeholders so the proposed implementation date has been extended by one year to January 1, 2019.

Please refer to our previous article posted after the CRA round table for a discussion on these expected changes.

By

Joelle Kabouchi, Craig J. Webster

Expertise

Tax, Capital Markets, Investment Management, Financial Services

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.