

Federal Court



Cour fédérale

Date: 20250916

**Dockets: T-2272-25
T-2273-25
T-2274-25**

Citation: 2025 FC 1525

Ottawa, Ontario, September 16, 2025

PRESENT: The Honourable Mr. Justice Zinn

Docket: T-2272-25

BETWEEN:

SUI PING LUO

Applicant

and

MINISTER OF NATIONAL REVENUE

Respondent

Docket: T-2273-25

BETWEEN:

JIA HONG LIANG

Applicant

and

MINISTER OF NATIONAL REVENUE

Respondent

Docket: T-2274-25

BETWEEN:

SHAO DONG LIANG

Applicant

and

MINISTER OF NATIONAL REVENUE

Respondent

ORDER AND REASONS

[1] On September 22, 2016, the Canada Revenue Agency [CRA] began an audit under the *Income Tax Act*, RSC 1985, c 1 (5th Supp) [the Act] on Shao Dong Liang, Sui Ping Luo, and Jia Hong Liang for their 2010 to 2015 taxation years [the Applicants]. They are a family, and each has commenced an application for judicial review. Shao Dong Liang (T-2274-25) is the husband of Sui Ping Luo (T-2272-25) and father of Jia Hong Liang (T-2273-25) [the Applications].

[2] Although there are some facts among them that differ, I find that for the purposes of the present motions, they are not relevant. I will issue one set of Reasons, that will be filed in each matter.

[3] The Respondent moves to strike the Notices of Application for Judicial Review in their entirety, without leave to amend, and to dismiss the Applications.

[4] Each Notice of Application indicates that it is an application for judicial review of “the failure of the Minister of National Revenue (the “Minister”) to complete its audit ... and to issue any notice of assessment ... with all due dispatch as required by section 152 of the *Income Tax Act* ... with respect to their 2010 to 2015 taxation years and the ... decision of the Minister ... that the Applicant’s submissions do not fully comply with its demands for information.” Among other relief, each Applicant seeks “an order compelling the Minister to end its audit of the Applicant’s 2010 to 2015 taxation years.”

[5] The Minister issued Demands for Information to the Applicants under subsection 231.1(1) of the Act [the Demands] relating to their personal income tax returns for 2010 to 2015 [the Required Material]. By letters [the Courtesy Letters], the Applicants were informed that they had not fully complied with the Demands, i.e., they did not provide all the Required Material to the CRA. They were informed that if the Required Material was not provided to the CRA by June 27, 2025, legal proceedings would be commenced against each Applicant in the Federal Court pursuant to section 231.7 of the Act.

[6] On July 3, 2025, the Minister initiated a compliance application under section 231.7 of the Act to compel the Applicants to provide the Minister with the outstanding Required Material as required by the Demands [the Compliance Application]. The Compliance Application is scheduled to be heard in this Court on September 9, 2025.

[7] On July 4, 2025, the day after the Minister initiated the Compliance Application, the Applicants filed Notices of Application for Judicial Review. This prompted the Minister to bring these motions to strike the applications in their entirety without leave to amend.

[8] The Minister submits that each application is so clearly deficient that it is bereft of any possibility of success because (1) there is no reviewable decision and no grounds for review under section 18.1 of the *Federal Courts Act*, RSC 1985, c F-7, as amended [the Courts Act]; (2) the relief sought cannot be granted; (3) section 18.5 of the Courts Act bars the Applications; and (4) each Applicant has adequate alternative remedies.

[9] The Applicants submit that the Applications should be allowed to proceed as they raise matters that are properly before this Court and, in the alternative, they seek leave to amend the Notices of Application and have provided draft Amended Notices of Application.

[10] For the purposes of these motions, the Court must focus its analysis on the Notices of Application as filed. The draft Amended Notice may be relevant to whether the Applicants ought to be granted leave to amend if the motion to strike is successful.

[11] Notwithstanding the valiant attempt by counsel for the Applicants to convince the Court to dismiss the motions on the basis that the subject matter of the Applications is within this Court's jurisdiction, I am not persuaded.

[12] I agree with the Respondent that the Courtesy Letters are not decisions amenable to judicial review. Both *Trinity Global Support Foundation v Canada (Attorney General)*, 2025 FC 363, and *Air Canada v Toronto Port Authority et al*, 2011 FCA 347 [*Air Canada*], instruct that in assessing whether these letters are justiciable, the Court must ask whether the letters did anything to trigger rights to judicial review. The letters did not change the Applicants' legal position, create obligations, or prejudice them. These letters merely set out the Minister's previously expressed position and intention to commence compliance proceedings if the Required Material was not produced.

[13] I further agree with the Minister's submission that the Applicants confuse the Demands for Information with the Courtesy Letters, which merely restate what has already occurred and will occur if compliance is not forthcoming. The last Demand for Information was in 2024, with earlier demands dating back to 2016. Arguably, a decision to demand information may be a reviewable decision; however, no judicial review application was brought then. I agree with the Minister that to "bring a judicial review now framed around Courtesy Letters is out of time and misconceived."

[14] A "decision" is not necessarily a pre-requisite for judicial review as explained in *Shea v Canada (Attorney General)*, 2006 FC 859 at paragraph 42:

The absence of a "decision" is not a bar to an application for judicial review under the *Federal Courts Act*, as Section 18.1 provides the Court with jurisdiction to grant relief to a party affected by "a matter" involving a federal board, commission or other tribunal: *Canadian Museum of Civilization Corp. v. Public Service Alliance of Canada, Local 70396* [2006] F.C.J. No. 884, 2006 FC 703, at para. 47.

[15] In this context, the proper question to ask is whether, in issuing the Courtesy Letters and in engaging in the conduct described therein, the Minister had done anything that triggered any rights on the part of the Applicants to bring a judicial review: see *Air Canada* at para 26.

[16] The Applicants describe the alleged reviewable matter as follows:

The Minister's conduct in its 9-year long audits against the Applicant (Respondent to this motion) is reviewable by this Court. The relief sought by the Applicant can only be provided by this Court. An application for judicial review is the only recourse for the Applicant and Canadian taxpayers when they are subject to the abusive and unreasonable exercise of audit powers by tax officials.

There is a reviewable matter and cognizable administrative law claim properly before this Court. The Minister had an agreement with the Applicant and refused to honour it. The Minister started an audit on the Applicant in 2016, failed to carry out the audit for approximately six years between 2018 and 2024, and then decided to re-do the audits in 2024 on the same taxation years from over a decade ago. No explanation was provided for such delay. It is clear that the Minister failed to carry out its audits at a reasonable time.

[17] The Applicants admit that they are not challenging the correctness of any assessment.

They are challenging the Minister's conduct in carrying out these audits. They say that this Court "has jurisdiction to review the existence, scope, and legality of the agreement reached between the applicants and the CRA; to consider whether six years of unexplained delay is reasonable, and to determine whether audits of taxation years dating back more than a decade are being conducted in a reasonable manner under section 231.1 of the *Income Tax Act*."

[18] I do not agree. With respect, the Applicants' reading of section 231.1 is misguided. It reads as follows:

231.1 (1) An authorized person may, at all reasonable times, for any purpose related to the administration or enforcement of this Act,

(a) inspect, audit or examine any document, including books and records, of a taxpayer or any other person that may be relevant in determining the obligations or entitlements of the taxpayer or any other person under this Act;

(b) examine any property or process of, or matter relating to, a taxpayer or any other person, an examination of which may assist the authorized person in determining the obligations or entitlements of the taxpayer or any other person under this Act;

(c) enter any premises or place where any business is carried on, any property is kept, anything is done in connection with any business or any books or records are or should be kept, except that, if the premises or place is a dwelling-house, the authorized person may enter the dwelling-house without the consent of the occupant only under the authority of a

231.1 (1) Une personne autorisée, à tout moment raisonnable, pour l'application et l'exécution de la présente loi, peut :

a) inspecter, vérifier ou examiner tous documents, y compris les livres et registres, d'un contribuable ou d'une autre personne qui peuvent être pertinents pour déterminer les obligations ou les droits du contribuable ou de cette autre personne en vertu de la présente loi;

b) examiner tout bien ou tout procédé d'un contribuable ou d'une autre personne ou toute matière le concernant ou la concernant, dont l'examen peut aider la personne autorisée à établir les obligations ou les droits du contribuable ou de cette autre personne en vertu de la présente loi;

c) pénétrer dans un lieu où est exploitée une entreprise, est gardé un bien, est faite une chose en rapport avec une entreprise ou sont tenus ou devraient l'être des livres ou registres, sauf que, si le lieu est une maison d'habitation, la personne autorisée ne peut y pénétrer sans la permission de l'occupant, qu'après l'obtention d'un mandat décerné en vertu du

warrant under subsection (3);	paragraphe (3);
(d) require a taxpayer or any other person to give the authorized person all reasonable assistance, to answer all proper questions relating to the administration or enforcement of this Act and	d) requérir le contribuable ou toute autre personne de lui fournir toute l'aide raisonnable et de répondre à toutes les questions pertinentes à l'application ou l'exécution de la présente loi ainsi que :
(i) to attend with the authorized person, at a place designated by the authorized person, or by video-conference or by another form of electronic communication, and to answer the questions orally, and	(i) de l'accompagner à un lieu désigné par celle-ci, de participer avec elle par vidéo-conférence ou par tout autre moyen de communication électronique à une rencontre, et de répondre à ses questions de vive voix,
(ii) to answer the questions in writing, in any form specified by the authorized person; and	(ii) de répondre aux questions par écrit, en la forme qu'elle précise;
(e) require a taxpayer or any other person to give the authorized person all reasonable assistance with anything the authorized person is authorized to do under this Act.	e) requérir un contribuable ou toute autre personne de lui fournir toute l'aide raisonnable concernant quoi que ce soit qu'elle est autorisée à accomplir en vertu de la présente loi.

[19] I agree with the Respondent that:

Section 231.1 is an audit tool, empowering the Minister to obtain information or documents at all reasonable times. It is not the statutory basis for the audit power itself, nor does it impose any obligation to reassess within a "reasonable time." The phrase "at all reasonable times" refers to the circumstances in which the Minister may inspect documents.

[20] I am satisfied that this motion must be granted because there is no reviewable decision and no grounds for review under section 18.1 of the Courts Act.

[21] I am not persuaded that these Applicants ought to be granted leave to amend in the form submitted. Fundamentally, they seek the same redress on the same facts.

[22] Neither the Applications as drafted nor the proposed amendments speak to how the Applicants' legal rights have been affected, what legal obligations have been imposed, or what, if any, prejudicial effects they have suffered. I agree with the Respondent that the real goal is to avoid complying with the Demands. That constitutes interference with the Minister's powers to verify compliance with the Act.

[23] For these reasons, the motions are granted with costs to the Minister, fixed as per the agreement of the parties. The parties agree that the successful party is to be awarded costs, fixed in the amount of \$6,000 (i.e., \$2,000 per motion), to be paid by the unsuccessful party within 30 days of this Order.

ORDER in T-2272-25, T-2273-25 and T-2274-25

THIS COURT ORDERS that:

1. The motions are granted;
2. Each of the Notices of Application in T-2272-25, T-2273-25 and T-2274-25 are struck, without leave to amend;
3. Costs are payable by the Applicants to the Minister in the amount of \$6,000, collectively for all three applications, payable within 30 days; and
4. A copy of this Order shall be placed in each of Court files T-2272-25, T-2273-25, and T-2274-25.

"Russel W. Zinn"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2272-25

STYLE OF CAUSE: SUI PING LUO v MINISTER OF NATIONAL
REVENUE

DOCKET: T-2273-25

STYLE OF CAUSE: JIA HONG LIANG v MINISTER OF NATIONAL
REVENUE

DOCKET: T-2274-25

STYLE OF CAUSE: SHAO DONG LIANG v MINISTER OF NATIONAL
REVENUE

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: AUGUST 27, 2025

ORDER AND REASONS: ZINN J.

DATED: SEPTEMBER 16, 2025

APPEARANCES:

Michael Ding	FOR THE APPLICANT
George Lin	FOR THE RESPONDENT
Sandra Tsui	

SOLICITORS OF RECORD:

WeirFoulds LLP	FOR THE APPLICANT
Barristers and Solicitors	
Toronto, Ontario	
Attorney General of Canada	FOR THE RESPONDENT
Toronto, Ontario	