Federal Court of Appeal | Cour d'appel fédérale

Date: 20220502

Docket: A-114-21

Citation: 2022 FCA 75

[ENGLISH TRANSLATION]

CORAM: **BOIVIN J.A.**
DE MONTIGNY J.A.
LEBLANC J.A.

BETWEEN:

QUÉBEC FONTE INC.

Appellant

and

HER MAJESTY THE QUEEN

Respondent

Heard at Montréal, Quebec, on May 2, 2022.

Judgment delivered at Montréal, Quebec, on May 2, 2022.

REASONS FOR JUDGMENT OF THE COURT BY: LEBLANC J.A.

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REASONS FOR JUDGMENT OF THE COURT
(Delivered from the bench at Montréal, Quebec, on May 2, 2022.)

LEBLANC J.A.

[1] The appellant is appealing a judgment of the Tax Court of Canada (the TCC) rendered on November 16, 2020 (2020 TCC 126). In its judgment, the TCC found that the Settlement Agreement signed by the parties in April 2019 (the Agreement) was the only agreement entered

into by the parties and was intended to resolve disputes related to notices of assessment issued in April 2013 against the appellant under the *Excise Tax Act*, R.S.C. 1985, c. E-15.

[2] Before the TCC, the appellant argued that this agreement had actually crystallized in an email dated March 20, 2019, and that any subsequent document signed by the parties, including the Agreement, or any measure taken by the respondent under that Agreement, including the issuance of reassessments in May 2019, was ineffective against the appellant insofar as these documents and measures violated the letter and spirit of the email of March 20, 2019. The appellant has reiterated essentially these same arguments before this Court.

[3] The only issue before this Court is whether the TCC made a palpable and overriding error (*Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235).

[4] We are all of the opinion that this appeal cannot succeed.

[5] In a detailed judgment, the TCC dismissed the appellant's arguments, stating that it was satisfied that the parties had entered into only one settlement agreement: the one set out in the Agreement. According to the TCC, the email of March 20, 2019, could not constitute a comprehensive and final settlement agreement, particularly because, if that had been the case, "the parties would not have reviewed or revised the Settlement Agreement, nor would they have consented to it" (TCC Judgment at para. 42).

[6] To arrive at that outcome, the TCC carefully reviewed all of the evidence of the discussions that led to the Agreement being signed. It also referred to the relevant case law and considered several articles of the *Civil Code of Québec*, C.Q.L.R., c. CCQ-1991 to find that the email of March 20, 2019, could not be used to challenge the terms of the Agreement (Decision of the TCC judge at paras. 37 to 40; 42 and 43). As for the fact that the appellant was assessed for a (reported) amount of $3.9 million after the Agreement was signed, the TCC noted that this amount of reported tax "was not one of the issues before the [TCC]", finding that there was no reason to believe that the parties had this amount in mind when they were settling their dispute. This Court is satisfied that the TCC did not make any palpable and overriding error in finding as it did.

[7] In short, we are all of the opinion that the TCC correctly stated the law and did not make any palpable and overriding error in its assessment of the evidence before it that would warrant this Court's intervention.

[8] The appeal will therefore be dismissed, with costs.

"René LeBlanc"

J.A.

Certified true translation
Melissa Paquette, Jurilinguist

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-114-21
STYLE OF CAUSE:	QUÉBEC FONTE INC. v. HER MAJESTY THE QUEEN
PLACE OF HEARING:	MONTRÉAL, QUEBEC
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REASONS FOR JUDGMENT OF THE COURT BY:	BOIVIN J.A. DE MONTIGNY J.A. LEBLANC J.A.
DELIVERED FROM THE BENCH BY:	LEBLANC J.A.

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