

Federal Court of Appeal



Cour d'appel fédérale

Date: 20260324

**Dockets: A-103-25 (Lead File)
A-104-25**

Citation: 2026 FCA 62

**CORAM: LASKIN J.A.
LOCKE J.A.
WALKER J.A.**

Docket: A-103-25

BETWEEN:

BAOZHONG LI

Appellant

and

ATTORNEY GENERAL OF CANADA

Respondent

Docket: A-104-25

BAOZHONG LI

Appellant

and

ATTORNEY GENERAL OF CANADA

Respondent

Heard at Toronto, Ontario, on March 24, 2026.
Judgment delivered from the Bench at Toronto, Ontario, on March 24, 2026.

REASONS FOR JUDGMENT OF THE COURT BY:

WALKER J.A.

Federal Court of Appeal



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REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Toronto, Ontario, on March 24, 2026).

WALKER J.A.

[1] Mr. Li appeals from a judgment of the Federal Court dated February 21, 2025 (2025 FC 346, *per* Turley J.) in which the Federal Court dismissed applications filed by Mr. Li requesting judicial review of two decisions of the Canada Revenue Agency (CRA), each dated July 25, 2024. In the decisions, the CRA concluded that Mr. Li was not eligible for either the Canada Emergency Response Benefit (CERB) or the Canada Recovery Benefit (CRB) because he did not earn at least \$5,000 (before taxes) of net self-employment income for 2019, 2020 or the 12 months before the date of his first claim for each benefit.

[2] Mr. Li received 7 CERB payments between March 15, 2020, and September 26, 2020, and 27 CRB payments between September 27, 2020, and October 9, 2021. During those periods, Mr. Li co-owned rental properties with his wife and received a portion of the rental income.

[3] On appeal of a Federal Court decision on judicial review, this Court is required to determine whether the Federal Court selected the correct standard of review and, if so, properly applied that standard: *Northern Regional Health Authority v. Horrocks*, 2021 SCC 42 at para. 10; *Agraira v. Canada (Public Safety and Emergency Preparedness)*, 2013 SCC 36 at paras. 45-47. In this second regard, we step into the shoes of the Federal Court and consider *de novo* the administrative decision(s) at issue, here the CRA's July 25, 2024 decisions.

[4] In this case, the Federal Court correctly identified reasonableness as the applicable standard of review for the CRA's decisions and stated that alleged breaches of procedural fairness are reviewable on a basis akin to correctness: *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65 at paras. 10, 23; *Canadian Pacific Railway Company v. Canada (Attorney General)*, 2018 FCA 69 at paras. 44-56. Mr. Li's submission that we must apply the correctness standard in assessing the substance of the CRA decisions under review is without merit.

[5] We also see no merit in Mr. Li's argument that there were oral decisions taken by the CRA prior to the decisions communicated to him in letter form. The decisions under review are the written decisions, each dated July 25, 2024, addressed to Mr. Li and signed by the same CRA officer. Mr. Li's two Notices of Appeal properly refer solely to the two written decisions. The oral conversations to which Mr. Li makes reference in his memorandum of fact and law were and are not decisions. They were communications in which the CRA officer provided updates to Mr. Li as to the status of the second reviews. The notes recorded by the CRA officer form part of the record before the Court and the reasons for the CRA decisions and we see no contradiction between the notes and the written CRA decisions.

[6] The Federal Court concluded that the CRA's decisions were reasonable for two principal reasons: (1) the CRA second review officer reasonably refused to rely on documentation prepared by Mr. Li to explain his self-employment income in the relevant years (including an amended T776 Statement of Real Estate Rentals); and (2) Mr. Li failed to establish that the decisions violated the attribution rules of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) (*ITA*)

or that the attribution rules established under the *ITA* impact the distinct CERB and CRB legislation and requirements.

[7] Mr. Li reasserts on appeal that the CRA unreasonably failed to accept his “behind the scenes” documentation and to respect the *ITA* attribution rules.

[8] We are not persuaded that Mr. Li has established any unreasonableness in the CRA’s decisions. In the course of the second reviews, the CRA officer communicated with Mr. Li, documented their interactions with him and considered Mr. Li’s documentation prepared for purposes of the CRA’s review, but concluded that it did not satisfy the income eligibility requirement for the CERB and CRB in the absence of additional documents demonstrating how much Mr. Li actually made. Despite Mr. Li’s able submissions, we find no reviewable error in the officer’s conclusion. We also note that the CRA officer is presumed to have considered all of Mr. Li’s documentation and submissions and we see no evidence in the record that they failed to do so. In addition, we are not persuaded by Mr. Li’s continued insistence on the application of the *ITA* income attribution rules to his case.

[9] Finally, the record does not support Mr. Li’s claim that the CRA process was procedurally unfair. Mr. Li was fully informed of the case he had to meet to establish his eligibility for the CERB and CRB and he was given repeated opportunity to provide documentation to support his claim to self-employment income in the relevant period(s). The notes of the CRA officer do not indicate any unfairness in the process followed. To the contrary,

those notes establish the second CRA officer's thorough consideration of Mr. Li's documentation and arguments.

[10] For the foregoing reasons, we will dismiss the appeals without costs.

"Elizabeth Walker"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS: A-103-25 (LEAD FILE)
A-104-25

STYLE OF CAUSE: BAOZHONG LI v. ATTORNEY
GENERAL OF CANADA

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: MARCH 24, 2026

REASONS FOR JUDGMENT OF THE COURT BY: LASKIN J.A.
LOCKE J.A.
WALKER J.A.

DELIVERED FROM THE BENCH BY: WALKER J.A.

APPEARANCES:

Baozhong Li ON HIS OWN BEHALF

Carl Venne FOR THE RESPONDENT
Gerard Westland

SOLICITORS OF RECORD:

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Deputy Attorney General of Canada