CRA Redbook SR&ED Statistics

Redbook

The Redbook contains statistics on advisory services, the Program's success rate in meeting the service standards, processed claims including claims with or without a review by an FR, processed claims including claims with or without a review by an RTA, Processed claims by processing type, claim intake, and inventory levels in the individual tabs of the report.

Advisory Services

The Advisory Services tab contains information on Pre-Claim Reviews, Pre-Claim Consultation and claims submitted for third party payments to agricultural organizations (check-offs).

Success Rate

The Success Rate tab gives the number of T2 claims that meet the Programs four published services standards as well as the total number of claims processed.

Processed claims include:
Any claim where the CRA has decided to accept the claim as filed without a review;
Claims denied at the tax centres due to incompleteness or because the claim was filed after the 18-month deadline; and
Claims that are reviewed by an RTA and/or an FR.

The results are displayed by CTSO and by selection type.

Description	Selection Reason Code in AIMS	Service Standard (CRA time in days)
Current-year refundable claims	2337	120
Claimant-requested adjustments - refundable	402	240
Current-year non-refundable claims	450	365
Claimants-requested adjustments - non-refundable	452	365

The expectation is that at least 90% of claims are processed within the service standards.

Processed

The Processed tab gives the total number of processed claims and the amount of investment tax credits (ITCs) claimed and allowed, in the period (first table), the number of processed claims and ITCs without a review by an FR (second table), and the number of claims processed and ITCs with a review by the FR (third table). The values from the second and third table add to the values in the first table.

The Case Assignment Status from AIMS (displayed on Screen 3) is used to determine whether a processed claim received a financial review:
- Status 4 - no financial review took place
- Status 9 - financial review took place

The information is broken down by CTSO and by selection reason code.

The "Others" category includes T1 claims (SRC 480 and 482), partnerships (SRC 406) as well as cases opened at the request of Appeals (SRC 401, 451, 481, 441) and cases created for not for profit SR&ED organizations (SRC 440 and 442)

Claims included as processed in the period have Downscreen_Date or Case_Cmpltn from PRF in the period. The downscreen date appears for claims that close in AIMS with Case Assignment Status = 4. The Case Completion Date appears for claims closed in AIMS with Case Assignment Status = 9. These dates and the Case Assignment Status can be viewed on Screen 3 in AIMS.

Science Decision

The Science Decision tab is similar to the Processed tab but here the processed claims are divided between claims with and without a review by an RTA.

The Activity Determination Codes are used to determine whether a review is conducted by an RTA:
- Codes 1, 2, 3, 4, 7 and 8 indicate a review by the RTA.
- Codes 5, 6 and 9 indicate that no review was done by the RTA.
Claims denied at the TC are coded with Activity Determination Code 4 so these are included in the third table.

See the description of the Success Rate and Processed tab for details on the meanings of the different Selection Reason Code categories.

Processing Type

The Processing Type tab is similar to both the Processed and Science Decision tabs but goes into more detail about the processing outcome.

The processing outcomes are grouped into:

Processing Type	Science Review Type	Activity Determination Code	Financial Review Type	Case Assignment Status
TC Downscreen	Y	5, 6, 9	Y	4
TC Denied	X	4	X	4
Accepted by Workload Management	A	5, 6, 9	A	4
FTCAS (For first time claims only)	C	5, 6, 9	C	4
Coordinated Desk Review	B	1, 2, 3, 4, 7, 8*	B	9
Coordinated On-site Review	C	1, 2, 3, 4, 7, 8*	A, B, C	4,9
All Coordinated Reviews	Sum of Coordinated Desk and Coordinated On-Site			
Financial Only Reviews	A, B, C	5, 6,9	B, C	9
Assigned to RTA or FR but no review	B, C	5, 6,9	B, C	4
Total	Sum of all categories except All Coordinated Reviews because it is a sub total			

The above table is intended only to describe how the various possible coding combinations are grouped in the report. The existence of a coding possibility does not constitute an authorization to conduct a review in a particular way. Workload management and review procedures are described in the Workload Management Guidelines and Claim Review Manuals. Some of the above coding combinations should occur rarely or not at all.

There are some cases that do not fit into the above coding descriptions. In the case of T1 and Partnership claims, it would be possible for the Workload Management Team to deny the claim due to incompleteness. These claims would be coded (A4 and B9). We have included those rare cases with the financial only reviews.

We are also including RTA only reviews with the coordinated reviews. These are extremely rare. Rarely a case is coded C1 by the RTA with B4 or C4 by the FR. We have included these with the coordinated reviews to reduce the complexity of the report.

The report also groups what appear to be some coding errors as "Financial Only Reviews". These are cases coded A1, A2, A3 with B9 or C9. The Workload Management Team does not make eligibility determinations so these coding combinations do not make sense. HQ will provide a monthly list of probable coding errors along with the Redbook for review by the CTSOs.

For the exact details of how the different coding combinations are assigned to the different processing outcome groupings please refer to PRF query JXT299.RPRT_NEW_FORMAT.

This report contains the number of processed claims, ITC claimed and allowed, the overall % of ITC adjusted (ITC Claimed - ITC Allowed)/ITC Claimed and average % ITC adjusted. Average % ITC adjusted is the same calculation as the overall % ITC adjusted except instead of doing the calculation on the sums by processing outcome category, the calculation is done on a claim by claim basis and then averaged over all of the claims in the processing outcome grouping.

In AIMS there are cases where the ITC claimed is coded as $1 (000) but where the allowed amount is much larger. When the % ITC adjusted calculation is done on these sorts of claims it leads to huge positive adjustments which can skew the average calculation. In order to adjust for this, we filter out claims with positive ITC adjustments greater than 200%. As a result, the total in the Processing Type tab is lower than the total in the Processed and Science Decision tabs.

CRA Red Book on SRED

Description	Selection Reason Code in AIMS	Service Standard (CRA time in days)
Current-year refundable claims	2337	120
Claimant-requested adjustments - refundable	402	240
Current-year non-refundable claims	450	365
Claimants-requested adjustments - non-refundable	452	365

The expectation is that at least 90% of claims are processed within the service standards.

Processed April 1, 2006 - March 31, 2007 / Demandes traitées - 1er avril 31 mars, 2007

TSO / CTSO BSF / BSFC	#						ITC claimed / CII demandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	480	482	Others/Autres	Total	2337	402	480	482	Others/Autres	Total	2337	402	480	482	Others/Autres
Newfoundland/Lab	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Halifax	643	383	118	102	39	1	43,853	20,663	5,104	14,551	3,534	1	35,232	17,358	3,250	12,185	2,438	1
Saint John	1	0	0	0	1	0	1	0	0	0	1	0	1	0	0	0	1	0
Taxation - Centre - Fiscal	59	48	2	9	0	0	1,989	1,703	12	274	0	0	1,989	1,703	12	274	0	0
Taxation - Centre - Fiscal	1	1	0	0	0	0	42	42	0	0	0	0	42	42	0	0	0	0
Halifax	*704*	*432*	*120*	*111*	*40*	*1*	*45,885*	*22,405*	*5,116*	*14,826*	*3,536*	*1*	*37,264*	*19,103*	*3,262*	*12,459*	*2,439*	*1*
Quebec	2,047	980	594	272	189	12	138,268	48,757	14,861	51,379	23,161	110	124,135	44,983	12,806	47,504	18,793	101
Taxation - Centre - Fiscal	703	466	43	173	21	0	27,838	19,011	666	7,842	319	0	27,838	19,011	666	7,842	319	0
Sherbrooke	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	261	183	7	60	11	0	9,593	6,176	33	3,326	58	0	9,593	6,176	33	3,326	58	0
Chicoutimi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rimouski	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trois-Rivières	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quebec	*3,011*	*1,629*	*644*	*505*	*221*	*12*	*176,599*	*73,944*	*15,660*	*62,547*	*23,638*	*110*	*161,665*	*70,170*	*13,505*	*58,672*	*19,168*	*101*
Montréal	1,598	798	317	295	172	16	817,929	100,678	14,591	534,015	168,555	90	701,306	91,983	12,579	472,748	113,902	94
Taxation - Centre - Fiscal	833	604	37	171	21	0	72,101	50,810	777	19,998	516	0	72,098	50,810	777	19,995	516	0
Montérégie-rive-sud	786	396	161	139	77	13	56,364	30,158	4,997	15,792	7,305	112	48,988	27,011	4,116	13,465	5,302	100
Taxation - Centre - Fiscal	396	264	11	112	8	1	26,953	16,835	243	9,693	144	40	26,953	16,835	243	9,691	144	40
Montreal	*3,613*	*2,062*	*525*	*717*	*278*	*30*	*973,347*	*198,481*	*20,608*	*577,496*	*176,520*	*242*	*849,345*	*186,639*	*27,709*	*514,899*	*119,864*	*234*
Rouyn	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outaouais	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	39	31	3	4	1	0	2,107	1,938	21	94	54	0	2,107	1,938	21	94	54	0
Laval	1,285	636	333	197	100	19	281,128	48,379	10,688	170,595	51,362	104	234,313	44,868	9,089	144,297	35,980	79
Taxation - Centre - Fiscal	668	475	26	148	17	2	50,734	29,918	570	19,747	476	23	50,712	29,897	570	19,746	476	23
Laval	*1,992*	*1,142*	*362*	*349*	*118*	*21*	*333,969*	*80,236*	*11,279*	*190,436*	*51,892*	*127*	*287,132*	*76,703*	*9,680*	*164,137*	*36,510*	*102*
Ottawa	1,250	780	214	146	62	48	261,702	128,491	12,804	89,451	30,705	251	250,199	124,335	11,831	85,875	28,913	145
Kingston	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Belleville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Thunder Bay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sudbury	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Peterborough	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	104	86	4	12	2	0	20,257	16,176	98	3,942	41	0	20,257	16,176	98	3,942	41	0
Taxation - Centre - Fiscal	3	2	1	0	0	0	21	19	2	0	0	0	21	19	2	0	0	0
Taxation - Centre - Fiscal	18	14	1	3	0	0	1,562	1,049	101	412	0	0	1,562	1,049	101	412	0	0
Taxation - Centre - Fiscal	10	8	1	1	0	0	438	350	31	57	0	0	438	350	31	57	0	0
Taxation - Centre - Fiscal	3	2	0	1	0	0	435	425	0	10	0	0	435	425	0	10	0	0
Ottawa	*1,388*	*892*	*221*	*163*	*64*	*48*	*284,415*	*146,510*	*13,036*	*93,872*	*30,746*	*251*	*272,912*	*142,364*	*11,663*	*89,896*	*28,954*	*145*
Toronto West	1,387	613	350	231	154	39	911,662	81,908	25,167	789,566	42,923	12,098	867,835	74,393	20,248	730,163	31,853	11,178
Taxation - Centre - Fiscal	71	60	3	8	0	0	7,549	6,420	11	1,118	0	0	7,548	6,420	10	1,118	0	0
Toronto West/Ouest	*1,458*	*673*	*353*	*239*	*154*	*39*	*919,211*	*88,328*	*25,178*	*790,684*	*42,923*	*12,098*	*875,383*	*80,813*	*20,258*	*731,281*	*31,853*	*11,178*
Toronto Center	2,606	1,275	688	360	254	31	515,610	169,244	59,239	194,659	88,089	4,379	461,392	156,106	49,299	181,017	70,914	4,061
Toronto East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Toronto North	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	184	161	4	13	6	0	25,172	22,987	65	1,881	239	0	25,172	22,987	65	1,881	239	0
Toronto	*2,790*	*1,436*	*692*	*373*	*260*	*31*	*540,782*	*192,231*	*59,304*	*196,540*	*88,328*	*4,379*	*486,564*	*179,093*	*49,364*	*182,898*	*71,153*	*4,061*
Hamilton	2,806	1,256	852	333	268	137	436,512	111,908	48,601	221,973	49,419	4,611	388,707	104,179	40,559	205,708	34,388	3,873
Kitchener	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Catharines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
London	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Windsor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	107	75	6	25	1	0	10,601	5,793	158	4,630	20	0	10,601	5,793	158	4,630	20	0
Taxation - Centre - Fiscal	38	33	3	2	0	0	1,542	1,367	53	122	0	0	1,542	1,367	53	122	0	0
Taxation - Centre - Fiscal	183	148	8	19	8	0	16,147	13,957	271	1,559	360	0	16,147	13,957	271	1,559	360	0
Hamilton	*3,134*	*1,492*	*869*	*379*	*277*	*137*	*464,802*	*133,025*	*49,083*	*228,284*	*49,799*	*4,611*	*426,997*	*125,296*	*41,041*	*212,019*	*34,768*	*3,873*
Winnipeg	395	186	107	54	46	2	44,199	18,378	5,251	12,298	8,261	2	35,308	15,085	3,769	10,698	5,754	2
Regina	66	37	14	9	6	0	7,662	2,866	799	1,982	2,015	0	6,836	2,582	759	1,935	1,560	0
Saskatoon	144	78	33	20	10	3	14,083	7,893	2,072	2,438	1,677	3	12,294	7,359	1,717	2,216	1,101	1
Calgary	888	437	223	130	88	10	158,545	47,225	17,251	57,793	36,041	25	145,607	41,812	13,928	57,200	33,044	23

Edmonton	489	226	136	68	51	8	121,021	24,404	8,423	18,039	44,875	25,280	68,013	20,803	6,268	13,782	16,288	10,872
Taxation - Centre - Fiscal	13	11	0	2	0	0	284	212	0	72	0	0	284	212	0	72	0	0
Taxation - Centre - Fiscal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	171	145	5	18	3	0	12,324	10,730	329	1,141	124	0	12,322	10,730	329	1,139	124	0
Calgary	*2,166*	*1,120*	*616*	*301*	*204*	*23*	*368,109*	*111,806*	*34,226*	*93,763*	*92,993*	*26,320*	*260,664*	*95,053*	*26,770*	*67,042*	*67,671*	*10,696*
Southern Interior	138	77	39	12	7	3	10,975	4,864	2,040	2,356	1,681	34	9,928	4,218	1,790	2,320	1,591	9
Vancouver	1,350	694	352	147	131	26	364,501	77,699	18,381	156,803	108,680	2,938	338,607	72,574	14,721	154,410	94,708	2,194
Taxation - Centre - Fiscal	496	388	19	65	21	3	42,890	32,287	480	9,506	614	3	42,888	32,287	480	9,504	614	3
Vancouver Island	129	90	29	4	4	2	12,311	7,983	834	228	3,106	160	11,977	7,658	825	228	3,106	160
Burnaby	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Northern BC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vancouver	*2,113*	*1,249*	*439*	*226*	*163*	*34*	*430,677*	*122,833*	*21,735*	*168,893*	*114,081*	*3,135*	*403,400*	*116,737*	*17,816*	*166,462*	*100,019*	*2,366*
Canada	**22,370**	**12,126**	**4,724**	**3,365**	**1,779**	**376**	**4,526,925**	**1,169,832**	**255,124**	**2,377,340**	**674,355**	**50,274**	**4,081,256**	**1,094,970**	**220,968**	**2,219,760**	**512,599**	**32,959**

Downscreened April 1, 2006 - March 30, 2007 / Sélections décroissantes - 1er avril 2006 - 26 31 mars, 2007

TSO / CTSO BSF / BSFC	#						ITC claimed / CII demandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Newfoundland/Labrador	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2007 – 22,370 claimants for $ 4.08 billion

Processed April 1, 2009 to March 31, 2010 / Demandes traitées - 1er avril 2009 au 31 mars 2010

	#						ITC claimed / CII démandés ($,000)						ITC allowed / CII acc		
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402
Halifax CTSO/BSFC	1,050	521	236	155	134	4	81,969	27,907	9,155	27,810	17,093	4	68,964	23,939	7,764
Québec CTSO/BSFC	3,233	1,903	563	478	247	42	196,583	91,806	14,953	61,959	27,636	229	167,559	83,375	11,320
Montréal CTSO/BSFC	4,196	2,488	650	744	278	36	532,291	228,388	26,087	204,588	72,961	267	492,669	215,413	19,781
Laval CTSO/BSFC	2,583	1,475	468	409	199	32	388,202	99,083	14,465	238,183	35,395	1,076	336,611	94,239	12,766
Ottawa CTSO/BSFC	1,628	926	328	208	143	23	277,217	158,397	19,238	72,054	26,568	960	259,658	154,858	14,976
Toronto West/Ouest	1,940	867	524	290	236	23	447,478	105,301	30,944	232,192	69,986	9,055	403,773	98,146	27,237
Toronto CTSO/BSFC	4,462	2,342	1,336	378	349	57	748,700	264,996	77,503	218,220	177,060	10,921	641,030	242,597	63,691
Hamilton CTSO/BSFC	3,978	2,006	1,075	452	341	104	452,741	180,201	59,180	126,615	79,733	7,012	406,122	164,456	45,615
Calgary CTSO/BSFC	2,567	1,108	602	407	371	79	666,071	132,276	46,702	307,287	179,720	86	523,321	124,790	37,877
Vancouver CTSO/BSFC	2,881	1,511	791	306	241	32	460,676	187,765	39,382	162,978	67,056	3,495	443,493	182,640	34,052
All Canada/Tout le Canada	**28,518**	**15,147**	**6,573**	**3,827**	**2,539**	**432**	**4,251,928**	**1,476,120**	**337,609**	**1,651,886**	**753,208**	**33,105**	**3,743,200**	**1,384,453**	**275,079**

Increasing trend to 2010

Processed April 1, 2015 to March 31, 2016 /Demandes traitées du 1 avril 2015 au 31 mars 2016

	#						ITC claimed / CII demandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Nova Scotia CTSO/BSFC	739	473	106	110	44	6	41,888	24,739	3,373	8,237	4,754	785	35,113	21,358	2,807	7,321	2,842	785
Eastern Québec CTSO/BSFC	1,704	1,008	237	344	109	6	134,158	72,963	8,041	44,012	8,979	163	116,480	61,107	6,765	42,163	6,302	143
Western Québec CTSO/BSFC	5,124	3,235	528	1,026	274	61	1,106,530	285,430	21,616	708,844	82,386	8,254	1,060,559	274,023	18,411	682,331	79,124	6,670
Toronto Centre CTSO/BSFC	5,488	3,484	872	717	366	49	993,128	384,258	48,397	329,527	221,435	9,511	906,770	362,008	41,105	307,486	187,107	9,062
Toronto West CTSO/BSFC	4,383	2,752	577	712	262	80	840,521	210,946	27,559	540,185	53,973	7,858	788,914	192,933	18,121	525,553	45,332	6,975
Edmonton CTSO/BSFC	2,625	1,310	452	456	333	74	872,717	123,596	28,934	347,903	117,924	254,360	740,754	115,171	23,855	297,839	97,542	206,347
Fraser Valley and Northern CTSO/BSFC	2,776	1,771	448	326	194	37	358,404	200,316	27,559	87,742	35,758	7,029	330,578	188,961	22,079	84,130	29,237	6,171
All Canada/Tout le Canada	22,839	14,033	3,220	3,691	1,582	313	4,347,346	1,302,248	165,479	2,066,450	525,209	287,960	3,979,168	1,215,561	133,143	1,946,825	447,486	236,153

Downscreened April 1, 2015 to March 31, 2016 / Sélections décroissantes du 1 avril 2015 au 31 mars 2016

	#						ITC claimed / CII demandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Nova Scotia CTSO/BSFC	629	410	86	94	33	6	26,970	17,036	2,278	4,785	2,086	785	26,924	17,031	2,249	4,785	2,074	785
Eastern Québec CTSO/BSFC	1,168	728	145	246	48	1	68,610	42,056	5,044	19,795	1,714	1	68,340	42,051	4,780	19,795	1,713	1
Western Québec CTSO/BSFC	4,390	2,868	394	899	214	15	850,822	257,315	15,753	509,873	64,434	3,447	850,563	257,246	15,587	509,870	64,433	3,447
Toronto Centre CTSO/BSFC	4,566	3,026	661	604	259	36	663,024	323,486	34,251	193,978	107,884	3,425	662,745	323,430	34,187	193,866	107,840	3,422
Toronto West CTSO/BSFC	3,279	2,185	319	544	169	62	326,869	156,840	10,871	132,525	22,603	3,930	326,564	156,764	10,719	132,620	22,521	3,930
Edmonton CTSO/BSFC	2,098	1,122	351	345	231	48	344,934	100,850	18,825	81,059	37,224	106,976	344,407	100,659	18,732	81,059	36,981	106,976
Fraser Valley and Northern CTSO/BSFC	2,269	1,516	315	276	136	26	282,617	169,916	13,478	69,310	24,605	5,308	282,093	169,884	13,386	69,309	24,207	5,307
All Canada/Tout le Canada	18,419	11,855	2,271	3,009	1,090	194	2,563,846	1,067,499	100,500	1,011,425	260,550	123,872	2,561,646	1,067,065	99,640	1,011,304	259,769	123,868

Sharp reductions in 2016 & future?

	SR&ED claims processed			Variance	
Year	Claims		ITC's ('000's)	Claims	ITC's
2018	19,855	$	3,177,717	-4.8%	-1.7%
2017	20,867	$	3,231,128	-8.6%	-18.8%
2016	22,839	$	3,979,168	-6.0%	-5.5%
2015	24,302	$	4,211,057	-4.0%	-3.5%
2014	25,312	$	4,361,819	-11.2%	16.5%
2010	28,518	$	3,743,200	27.5%	-8.3%
2007	22,370	$	4,081,256		
	2014 to 2018 changes			**-21.6%**	**-27.1%**

Source: CRA Redbook

Advisory Service Results and Check-offs for the period April 1, 2017 to March 31, 2018

Résultats sur les services consultatifs et contributions agricoles pour la période du 01 avril 2017 au 31 mars 2018

	Pre-Claim Consultation Consultation pré-demande			Pre-Claim Review Examen pré-demande			Check-offs Contributions agricoles
	selection reason/motif de choix			selection reason/motif de choix			selection reason/motif de choix
	426			424			460
	Opened during the period Initiés au cours de la période	Processed during the period Traités au cours de la période	Inventory Inventaire	Opened during the period Initiés au cours de la période	Processed during the period Traités au cours de la période	Inventory Inventaire	Processed during the period Traités au cours de la période
Referred / référé	4	11	7	0	0	1	3
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	150
Atlantic	4	11	7	0	0	1	153
Referred / référé	54	48	23	0	0	0	0
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	6
Québec	54	48	23	0	0	0	6
Referred / référé	38	27	30	1	1	2	0
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	403
Ontario Centre	38	27	30	1	1	2	403
Referred / référé	28	37	15	9	3	8	12
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	1,002
Ontario West	28	37	15	9	3	8	1,014
Referred / référé	17	41	10	2	1	1	169
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	2,366
Prairies	17	41	10	2	1	1	2,535
Referred / référé	70	70	20	8	12	3	1
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	10
Pacific	70	70	20	8	12	3	11
Referred / référé	211	234	105	20	17	15	185
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0	3,937
All Canada/Tout le Canada	211	234	105	20	17	15	4,122

Processed April 1, 2017 to March 31, 2018 /Demandes traitées du 01 avril 2017 au 31 mars 2018

	#						ITC claimed / CII démandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Referred / référé	375	156	100	53	54	12	32,755	12,137	3,890	4,751	10,980	997	26,288	9,892	2,844	3,699	9,549	304
TC Downscreened / Sélection décroissante au CF	302	216	28	48	10	0	11,533	8,397	598	2,410	128	0	11,520	8,397	598	2,410	115	0
Atlantic	677	372	128	101	64	12	44,288	20,534	4,488	7,161	11,108	997	37,808	18,289	3,442	6,109	9,664	304
Referred / référé	3,229	1,724	523	661	229	92	996,143	178,896	24,961	713,150	50,948	28,188	919,512	165,424	20,516	672,134	36,385	25,053
TC Downscreened / Sélection décroissante au CF	2,425	1,680	95	595	55	0	245,913	179,876	2,714	61,887	1,436	0	245,811	179,874	2,637	61,887	1,413	0
Québec	5,654	3,404	618	1,256	284	92	1,242,056	358,772	27,675	775,037	52,384	28,188	1,165,323	345,298	23,153	734,021	37,798	25,053
Referred / référé	2,654	1,575	524	320	203	32	560,726	187,701	35,234	217,200	95,335	25,256	507,285	170,933	25,587	207,623	84,169	18,973
TC Downscreened / Sélection décroissante au CF	1,859	1,421	71	325	42	0	212,651	157,434	2,610	50,191	2,416	0	212,283	157,414	2,393	50,191	2,285	0
Ontario Centre	4,513	2,996	595	645	245	32	773,377	345,135	37,844	267,391	97,751	25,256	719,568	328,347	27,980	257,814	86,454	18,973
Referred / référé	2,016	987	425	346	194	64	384,680	81,629	20,235	170,826	99,019	12,971	334,494	68,720	13,249	162,945	77,635	11,945
TC Downscreened / Sélection décroissante au CF	1,743	1,267	51	379	46	0	142,632	93,315	1,432	46,286	1,599	0	142,391	93,239	1,281	46,280	1,591	0
Ontario West	3,759	2,254	476	725	240	64	527,312	174,944	21,667	217,112	100,618	12,971	476,885	161,959	14,530	209,225	79,226	11,945
Referred / référé	1,611	635	416	251	215	94	506,498	63,446	26,892	153,384	59,712	203,064	357,281	54,388	19,829	129,679	43,153	110,232
TC Downscreened / Sélection décroissante au CF	764	492	50	180	42	0	76,551	54,992	1,975	17,201	2,383	0	76,225	54,992	1,668	17,200	2,365	0
Prairies	2,375	1,127	466	431	257	94	583,049	118,438	28,867	170,585	62,095	203,064	433,506	109,380	21,497	146,879	45,518	110,232
Referred / référé	1,822	981	426	211	181	23	247,966	110,921	24,075	66,802	38,308	7,860	225,434	101,429	20,239	62,167	34,139	7,460
TC Downscreened / Sélection décroissante au CF	1,059	763	47	210	39	0	120,240	92,959	1,622	23,535	2,124	0	119,593	92,652	1,351	23,534	2,056	0
Pacific	2,881	1,744	473	421	220	23	368,206	203,880	25,697	90,337	40,432	7,860	345,027	194,081	21,590	85,701	36,195	7,460
Referred / référé	11,707	6,058	2,414	1,842	1,076	317	2,728,768	634,730	135,287	1,326,113	354,302	278,336	2,370,294	570,786	102,264	1,238,247	285,030	173,967
TC Downscreened / Sélection décroissante au CF	8,152	5,839	342	1,737	234	0	809,520	586,973	10,951	201,510	10,086	0	807,823	586,568	9,928	201,502	9,825	0
All Canada/Tout le Canada	19,859	11,897	2,756	3,579	1,310	317	3,538,288	1,221,703	146,238	1,527,623	364,388	278,336	3,178,117	1,157,354	112,192	1,439,749	294,855	173,967

Downscreened April 1, 2017 to March 31, 2018 / Sélections décroissantes du 01 avril 2017 au 31 mars 2018

	#						ITC claimed / CII démandés ($,000)						ITC allowed / CII accordés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Referred / référé	251	107	62	39	33	10	15,464	7,594	2,342	3,130	2,178	220	15,507	7,637	2,342	3,130	2,178	220
TC Downscreened / Sélection décroissante au CF	302	216	28	48	10	0	11,533	8,397	598	2,410	128	0	11,520	8,397	598	2,410	115	0
Atlantic	553	323	90	87	43	10	26,997	15,991	2,940	5,540	2,306	220	27,027	16,034	2,940	5,540	2,293	220
Referred / référé	2,204	1,244	325	467	137	31	473,108	145,924	18,147	270,466	23,331	15,240	473,107	145,923	18,147	270,466	23,331	15,240
TC Downscreened / Sélection décroissante au CF	2,425	1,680	95	595	55	0	245,913	179,876	2,714	61,887	1,436	0	245,811	179,874	2,637	61,887	1,413	0
Québec	4,629	2,924	420	1,062	192	31	719,021	325,800	20,861	332,353	24,767	15,240	718,918	325,797	20,784	332,353	24,744	15,240
Referred / référé	1,947	1,211	325	247	145	19	392,890	143,507	19,133	167,258	42,443	20,549	390,353	143,507	18,833	167,258	42,443	18,312
TC Downscreened / Sélection décroissante au CF	1,859	1,421	71	325	42	0	212,651	157,434	2,610	50,191	2,416	0	212,283	157,414	2,393	50,191	2,285	0
Ontario Centre	3,806	2,632	396	572	187	19	605,541	300,941	21,743	217,449	44,859	20,549	602,636	300,921	21,226	217,449	44,728	18,312
Referred / référé	1,207	631	215	209	105	47	172,602	45,959	8,805	54,908	57,044	5,886	172,601	45,959	8,804	54,908	57,044	5,886
TC Downscreened / Sélection décroissante au CF	1,743	1,267	51	379	46	0	142,632	93,315	1,432	46,286	1,599	0	142,391	93,239	1,281	46,280	1,591	0
Ontario West	2,950	1,898	266	588	151	47	315,234	139,274	10,237	101,194	58,643	5,886	314,992	139,198	10,085	101,188	58,635	5,886
Referred / référé	1,123	481	271	173	131	67	155,467	46,764	15,941	32,592	18,874	41,296	155,461	46,761	15,943	32,592	18,874	41,291
TC Downscreened / Sélection décroissante au CF	764	492	50	180	42	0	76,551	54,992	1,975	17,201	2,383	0	76,225	54,992	1,668	17,200	2,365	0
Prairies	1,887	973	321	353	173	67	232,018	101,756	17,916	49,793	21,257	41,296	231,686	101,753	17,611	49,792	21,239	41,291
Referred / référé	1,343	735	320	144	126	18	137,682	66,283	16,824	28,968	22,974	2,633	137,963	66,286	16,803	29,268	22,973	2,633
TC Downscreened / Sélection décroissante au CF	1,059	763	47	210	39	0	120,240	92,959	1,622	23,535	2,124	0	119,593	92,652	1,351	23,534	2,056	0
Pacific	2,402	1,498	367	354	165	18	257,922	159,242	18,446	52,503	25,098	2,633	257,556	158,938	18,154	52,802	25,029	2,633
Referred / référé	8,075	4,409	1,518	1,279	677	192	1,347,213	456,031	81,192	557,322	166,844	85,824	1,344,992	456,073	80,872	557,622	166,843	83,582
TC Downscreened / Sélection décroissante au CF	8,152	5,839	342	1,737	234	0	809,520	586,973	10,951	201,510	10,086	0	807,823	586,568	9,928	201,502	9,825	0
All Canada/Tout le Canada	16,227	10,248	1,860	3,016	911	192	2,156,733	1,043,004	92,143	758,832	176,930	85,824	2,152,815	1,042,641	90,800	759,124	176,668	83,582

Processing Outcomes April 1, 2017 to March 31, 2018 /Les résultats de traitement du 01 avril 2017 au 31 mars 2018

				ITC / CII			Adjustment Rate / Taux		Average Days / Moyen de jours			Hours / Heures			
	Processing Type / Type de traitement	Processed Claims / Demandes traitées	Percent of total processed claims by review type / Pourcentage de total de demandes traitées par type d'examen	ITC Claimed ($, 000s) / CII démandés $(000)	ITC Allowed ($, 000s) / CII accordés $(000)	ITC Adjusted ($, 000s) / CII ajusté $(000)	Overall % ITC Adjusted / % global de CII ajusté	Average % ITC Adjusted / % moyen de CII ajusté	Average CRA Days / Moyen de jours de l'ARC	Average Days Delayed / Moyen de jours retardés	Average Total Days / Moyen de jours total	RTA Hours / Heures CRT	FR Hours / Heures EF	Avg RTA Hours / Moyenne d'heures CRT	Avg FR Hours / Moyenne d'heures EF
Atlantic	TC Downscreen / Sélection décroissante au CF	301	44.5%	$11,520	$11,520	$0	0.0%	0.0%	13	0	13	0	0	0	0
	TC Denied / Refusée au CF	1	0.1%	$13	$0	$13	100.0%	100.0%	0	0	10	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	175	25.8%	$12,427	$12,427	$0	0.0%	0.0%	103	4	112	13	15	0	0
	FTCAS / SCAND	54	8.0%	$1,116	$1,159	-$43	-3.9%	-3.5%	114	20	139	494	310	9	6
	Coordinated Desk Review / Examen coordonné sans une visite sur place	13	1.9%	$513	$312	$201	39.2%	43.6%	217	116	334	293	338	23	26
	Coordinated On-site Review / Examen coordonné sur place	101	14.9%	$13,600	$7,708	$5,892	43.3%	53.7%	236	240	480	5,205	4,406	52	44
	All Coordinated Reviews / Tous examens coordonnés	114	16.8%	$14,113	$8,020	$6,093	43.2%	52.5%	234	226	464	5,498	4,743	48	42
	Financial Only Review / Examen financiers seulement	13	1.9%	$3,216	$2,799	$417	13.0%	5.1%	369	310	679	144	446	11	34
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	19	2.8%	$1,883	$1,883	$0	0.0%	0.0%	133	92	226	62	37	3	2
	Total / Totale	677	100.0%	$44,288	$37,808	$6,480	14.6%	8.8%	92	49	143	6,211	5,550	9	8
Québec	TC Downscreen / Sélection décroissante au CF	2416	42.7%	$245,811	$245,811	$0	0.0%	0.0%	10	0	11	0	0	0	0
	TC Denied / Refusée au CF	9	0.2%	$102	$0	$102	100.0%	100.0%	0	0	30	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	1770	31.3%	$427,921	$427,920	$1	0.0%	0.0%	27	30	59	13	0	0	0
	FTCAS / SCAND	405	7.2%	$19,513	$19,513	$0	0.0%	0.0%	88	14	104	3,646	2,674	9	7
	Coordinated Desk Review / Examen coordonné sans une visite sur place	63	1.1%	$13,350	$11,719	$1,631	12.2%	78.7%	214	275	491	2,517	2,487	40	39
	Coordinated On-site Review / Examen coordonné sur place	854	15.1%	$188,254	$153,289	$34,965	18.6%	58.7%	200	193	395	49,677	36,264	58	42
	All Coordinated Reviews / Tous examens coordonnés	917	16.2%	$201,604	$165,008	$36,596	18.2%	60.1%	201	199	402	52,194	38,750	57	42
	Financial Only Review / Examen financiers seulement	103	1.8%	$321,355	$281,260	$40,095	12.5%	17.6%	621	269	893	1,003	3,090	10	30
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	32	0.6%	$25,748	$25,748	$0	0.0%	0.0%	117	331	453	227	198	7	6
	Total / Totale	5652	100.0%	$1,242,054	$1,165,260	$76,794	6.2%	10.2%	64	49	115	57,082	44,713	10	8
Ontario Centre	TC Downscreen / Sélection décroissante au CF	1846	40.9%	$212,283	$212,283	$0	0.0%	0.0%	9	0	9	0	0	0	0
	TC Denied / Refusée au CF	13	0.3%	$368	$0	$368	100.0%	100.0%	0	0	26	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	1457	32.3%	$287,346	$287,346	$0	0.0%	0.0%	100	1	101	41	118	0	0
	FTCAS / SCAND	408	9.0%	$11,732	$11,462	$270	2.3%	0.2%	130	17	148	5,011	3,591	12	9
	Coordinated Desk Review / Examen coordonné au bureau	35	0.8%	$8,366	$1,222	$7,144	85.4%	63.0%	426	176	602	1,213	1,197	35	34
	Coordinated On-site Review / Examen coordonné sur place	603	13.4%	$99,071	$56,722	$42,349	42.7%	58.6%	220	238	459	41,508	30,224	69	50
	All Coordinated Reviews / Tous examens coordonnés	638	14.1%	$107,437	$57,944	$49,493	46.1%	58.8%	231	234	467	42,721	31,421	67	49
	Financial Only Review / Examen financiers seulement	71	1.6%	$62,563	$59,185	$3,378	5.4%	26.8%	268	391	660	590	4,365	8	61
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	80	1.8%	$91,648	$91,348	$300	0.3%	0.8%	185	143	329	565	415	7	5
	Total / Totale	4513	100.0%	$773,377	$719,568	$53,809	7.0%	9.1%	88	43	132	48,929	39,910	11	9
Ontario West	TC Downscreen / Sélection décroissante au CF	1726	45.9%	$142,391	$142,391	$0	0.0%	0.0%	10	0	10	0	0	0	0
	TC Denied / Refusée au CF	17	0.5%	$241	$0	$241	100.0%	100.0%	0	0	45	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	885	23.5%	$168,477	$168,090	$387	0.2%	0.1%	107	4	113	139	154	0	0
	FTCAS / SCAND	294	7.8%	$8,959	$8,958	$1	0.0%	0.0%	98	12	112	3,455	2,427	12	8
	Coordinated Desk Review / Examen coordonné au bureau	26	0.7%	$1,256	$696	$560	44.6%	54.9%	192	115	307	459	693	18	27
	Coordinated On-site Review / Examen coordonné sur place	719	19.1%	$114,887	$80,471	$34,416	30.0%	54.5%	204	149	354	38,496	31,511	54	44
	All Coordinated Reviews / Tous examens coordonnés	745	19.8%	$116,143	$81,167	$34,976	30.1%	54.5%	203	148	352	38,955	32,204	52	43
	Financial Only Review / Examen financiers seulement	61	1.6%	$90,230	$75,405	$14,825	16.4%	19.3%	387	299	688	177	3,911	3	64
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	30	0.8%	$870	$870	$0	0.0%	0.0%	100	17	119	302	209	10	7
	Total / Totale	3758	100.0%	$527,311	$476,881	$50,430	9.6%	11.6%	85	36	122	43,028	38,906	11	10
Prairies	TC Downscreen / Sélection décroissante au CF	756	31.8%	$76,225	$76,225	$0	0.0%	0.0%	11	0	12	0	0	0	0
	TC Denied / Refusée au CF	8	0.3%	$326	$0	$326	100.0%	100.0%	0	0	17	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	743	31.3%	$94,724	$94,721	$3	0.0%	0.0%	80	0	84	3	63	0	0
	FTCAS / SCAND	314	13.2%	$13,442	$13,253	$189	1.4%	0.3%	103	5	112	3,475	2,861	11	9
	Coordinated Desk Review / Examen coordonné au bureau	9	0.4%	$5,723	$4,603	$1,120	19.6%	70.2%	263	474	738	336	399	37	44
	Coordinated On-site Review / Examen coordonné sur place	422	17.8%	$290,639	$145,271	$145,368	50.0%	65.2%	232	153	388	28,147	23,262	67	55
	All Coordinated Reviews / Tous examens coordonnés	431	18.1%	$296,362	$149,874	$146,488	49.4%	65.3%	233	159	396	28,483	23,661	66	55
	Financial Only Review / Examen financiers seulement	56	2.4%	$67,137	$64,604	$2,533	3.8%	25.9%	265	96	361	405	2,787	7	50
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	67	2.8%	$34,833	$34,829	$4	0.0%	1.5%	192	12	207	720	854	11	13
	Total / Totale	2375	100.0%	$583,049	$433,506	$149,543	25.6%	12.9%	96	32	131	33,086	30,225	14	13
Pacific	TC Downscreen / Sélection décroissante au CF	1046	36.3%	$119,593	$119,593	$0	0.0%	0.0%	11	0	12	0	4	0	0
	TC Denied / Refusée au CF	13	0.5%	$647	$0	$647	100.0%	100.0%	0	0	33	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	941	32.7%	$124,112	$124,090	$22	0.0%	0.2%	69	0	71	17	7	0	0
	FTCAS / SCAND	393	13.6%	$13,292	$13,295	-$3	0.0%	-0.3%	105	2	108	3,992	2,835	10	7
	Coordinated Desk Review / Examen coordonné au bureau	10	0.3%	$1,049	$813	$236	22.5%	45.0%	224	90	320	216	284	22	28
	Coordinated On-site Review / Examen coordonné sur place	445	15.5%	$106,959	$84,974	$21,985	20.6%	39.5%	189	128	319	25,404	22,054	57	50
	All Coordinated Reviews / Tous examens coordonnés	455	15.8%	$108,008	$85,787	$22,221	20.6%	39.6%	190	127	319	25,620	22,338	56	49
	Financial Only Review / Examen financiers seulement	24	0.8%	$2,276	$1,684	$592	26.0%	28.5%	122	104	227	11	925	0	39
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	8	0.3%	$245	$245	$0	0.0%	0.0%	95	0	95	73	32	9	4
	Total / Totale	2880	100.0%	$368,173	$344,694	$23,479	6.4%	7.0%	72	21	95	29,712	26,141	10	9
All Canada/Tout le Canada	TC Downscreen / Sélection décroissante au CF	8091	40.8%	$807,823	$807,823	$0	0.0%	0.0%	10	0	11	0	4	0	0
	TC Denied / Refusée au CF	61	0.3%	$1,697	$0	$1,697	100.0%	100.0%	0	0	32	0	0	0	0
	Accepted by Workload Management Team / Accepté par l'équipe de la gestion de la charge de travail	5971	30.1%	$1,115,007	$1,114,594	$413	0.0%	0.1%	72	10	84	224	356	0	0
	FTCAS / SCAND	1868	9.4%	$68,054	$67,640	$414	0.6%	-0.1%	106	10	118	20,073	14,698	11	8
	Coordinated Desk Review / Examen coordonné au bureau	156	0.8%	$30,257	$19,365	$10,892	36.0%	65.6%	261	213	476	5,034	5,397	32	35
	Coordinated On-site Review / Examen coordonné sur place	3144	15.8%	$813,410	$528,435	$284,975	35.0%	55.7%	209	179	389	188,437	147,720	60	47
	All Coordinated Reviews / Tous examens coordonnés	3300	16.6%	$843,667	$547,800	$295,867	35.1%	56.2%	211	180	393	193,471	153,117	59	46
	Financial Only Review / Examen financiers seulement	328	1.7%	$546,777	$484,937	$61,840	11.3%	21.6%	394	261	656	2,330	15,525	7	47
	Assigned to RTA or FR but no review / Attribuées à un CRT ou EF mais non examinées	236	1.2%	$155,227	$154,923	$304	0.2%	0.7%	160	106	268	1,949	1,746	8	7
	Total / Totale	19855	100.0%	$3,538,252	$3,177,717	$360,535	10.2%	10.0%	79	39	120	218,048	185,444	11	9

Inventory at March 31, 2018 /Inventaire en date du 31 mars 2018

	#						ITC claimed / CII démandés ($,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Atlantic	245	82	52	46	51	14	44,840	9,864	3,367	9,022	8,549	14,038
Québec	1,120	507	176	294	123	20	527,636	45,168	7,716	408,773	56,261	9,718
Ontario Centre	1,596	688	435	282	155	36	626,559	82,546	32,116	420,855	68,468	22,574
Ontario West	1,045	357	234	287	131	36	475,431	41,607	16,768	339,306	65,558	12,192
Prairies	549	180	93	124	101	51	457,849	25,393	7,993	169,552	26,335	228,576
Pacific	448	194	90	91	59	14	154,199	38,556	6,547	55,642	48,872	4,582
All Canada/Tout le Canada	5,003	2,008	1,080	1,124	620	171	2,286,514	243,134	74,507	1,403,150	274,043	291,680



SR&ED notices of objection, trends and issues, report #33: April 1 to September 30, 2018

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  - C. Issues in dispute involving "other" issues
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This report covers the period from April 1 to September 30, 2018. The report only involves mandatory referrals of notices of objections (NOOs) with technical issues from the Objection and Litigation Management Directorate (OLMD) to the Notice of Objection Section, Scientific Research and Experimental Development (SR&ED) Directorate. It outlines the trends that we observed during this period.

1. Statistical/general information

A. NOO intake April 1 to September 30, 2018

NOO intake – NOOs reviewed

NOO intake – NOOs reviewed	Number of files
Number of NOOs received during reporting period	105
Number of NOOs (company years) received during the reporting period	132
Number of NOOs reviewed during the reporting period	80
Number of NOOs (company years) reviewed during the reporting period	108

B. NOOs received vs NOOs reviewed on a monthly basis

April 1 to September 30, 2018

NOOs received vs NOOs reviewed on a monthly basis

Received vs Reviewed	2018-04-30	2018-05-31	2018-06-30	2018-07-31	2018-08-31	2018-09-30
NOOs received	20	38	15	23	3	6
NOOs reviewed	10	18	11	17	12	12

C. Results

NOO review results

Recommendation	Number of NOOs reviewed first half of 2018-2019	% of total
Correct	71	88.7%
Partially correct	3	3.8%
Not correct	2	2.5%
Other | Footnote 1	4	5.0%
Total for period	**80**	**100%**

Of the 80 NOOs reviewed during the first half of fiscal year 2018-2019, 88.7% were found to be correct where the NOO advisor agreed with the eligibility determinations. Also, during the reporting period, 3.8% of the NOOs reviewed were found to be only partially correct, where the NOO advisor did not fully agree with the eligibility determinations, and 2 of the NOOs reviewed (2.5%) were found to have incorrect eligibility decisions.

D. General information

Claim and claimant information

Claim and claimant information	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
NOOs – Refundable	62	77.5%
NOOs – Non-refundable	18	22.5%
First-time claimant	15	18.8%
First-time technical review	26	32.5%
Tax preparer involved in technical review/objection	59	73.8%
English	54	67.4%
French	13	16.3%
Bilingual	13	16.3%

ITCs in dispute

ITC value in dispute ($)	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
ITC < $50,000	33	41.3%

$50,000 < ITC < $250,000	29	36.2%
ITC > $250,000	18	22.5%

The majority of NOOs reviewed were refundable SR&ED claims that involved investment tax credits (ITC) under $250,000. Only 18.8% of the NOOs reviewed were first-time claimants and one third of the objections (32.5%) reviewed were claims where it was the first technical review for the claimant. The majority of the claimants (73.8%) used claim preparers in the preparation of their SR&ED claims and in filing their objections, which is in line with previous findings. And 67.4% of the objections were in English, 16.3% in French, and 16.3% were bilingual.

E. Industry sector information

Industry sector information for NOOs reviewed

Industry sector	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Agriculture	2	2.5%
Applied Mathematics	1	1.2%
Chemical engineering/sciences	4	5.0%
Civil/architectural engineering	3	3.8%
Computer sciences and information technology/software engineering/hardware automation/control systems/bioinformatics	19	23.7%
Electrical/electronic engineering/telecommunications	6	7.5%
Environmental/petroleum/mining and mineral processing/geological engineering	6	7.5%
Food and beverage	3	3.8%
Industrial biotechnology	2	2.5%
Mechanical engineering/tooling machinery and equipment/automation/automotive and transportation engineering	21	26.3%
Materials engineering, plastics, pulp and paper/textiles/metallurgy	8	10.0%
Medical sciences/biotechnology/nutrition and dietetics	3	3.8%
Natural and formal sciences	1	1.2%
Other engineering and technologies	1	1.2%
Total	**80**	**100.0%**

During this reporting period, it was observed that almost two thirds (61.3%) of the NOOs reviewed involved various fields of engineering: chemical, civil, electrical/electronic, environmental, mining, mechanical, materials and engineering technologies. There were also a significant number (23.7%) of computer sciences, software engineering and information technology NOOs reviewed.

F. Regional breakdown of NOOs

NOOs reviewed by region

Region	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Nova Scotia	4	5.0%
Laval	10	12.5%
Quebec	9	11.2%
Montreal	6	7.5%
Ottawa	4	5.0%
Toronto Centre	6	7.5%
Toronto West	16	20.0%
Hamilton	1	1.2%
Calgary	17	21.3%
Vancouver	7	8.8%
Total	**80**	**100%**

Approximately one third of the NOOs reviewed came from each of these three regional areas: Toronto West and Toronto Centre Tax Services Offices (TSO) (27.5%); Calgary and Vancouver TSOs (30.1%); and the Montreal, Laval, and Quebec TSOs (31.2%).

2. Technical information

The information presented in the following tables shows the frequency of various issues under dispute that were noted in the 80 NOOs reviewed.

A. Issues in dispute involving eligibility criteria

Eligibility criteria

Criteria	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
1. Scientific/technological advancement	64	80.0%
2. Scientific/technological uncertainty	70	87.5%
3. Scientific/technological content – Hypothesis	16	20.0%
4. Scientific/technological content – Scientific method	25	31.3%
5. Scientific/technological content – Records/evidence	20	25.0%

From the NOOs reviewed during this reporting period, 87.5% of the files involved the eligibility criteria of scientific/technological uncertainty (S/TU) and over three quarters of the files involved the eligibility criteria of scientific/technological advancement (S/TA) (80.0%). As well, a quarter (25.0%) of the files involved records/evidence (documentation) as issues under dispute.

B. Issues in dispute involving subsection 248(1)(a-k) of the Income Tax Act

Subsection 248(1)(a-k)

Subsection 248(1)	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
(a) Basic research	3	3.8%
(b) Applied research	3	3.8%
(c) Experimental development	42	52.5%
(d) Support work	9	11.2%
(e) Market research	0	0%
(f) Quality assurance	0	0%
(g) Social science	0	0%
(h) Oil and gas	0	0%
(i) Commercial production	2	2.5%
(j) Style changes	1	1.2%
(k) Routine data collection	0	0%

For this reporting period, the issues in dispute that involved subsection 248(1)(a-k) of the Income Tax Act pertained mainly to the interpretation of experimental development work (52.5%).

C. Issues in dispute involving "other" issues

Other issues in dispute

Issue	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Routine engineering	30	37.5%
Standard practice	31	38.8%
Experimental production vs commercial production	2	2.5%
Prototype/pilot plant/custom product, etc.	1	1.2%
All or substantially all consumed in / all or substantially all intended	0	0%

Work outside Canada	0	0%
Research and Technology Advisor (RTA) expertise	5	6.3%
Regulatory environment	0	0%
Shared-use equipment	0	0%
Contract payments	3	3.8%
Materials consumed	1	1.2%
Material transformed	0	0%
Claim not reviewed at appropriate level	6	7.5%
No specific reason given by objector	12	15.0%
No rationale (or weak rationale) given by RTA	5	6.3%
Duration of project: Start date	0	0%
Duration of project: Finish date	1	1.2%
Other: Gross penalty issue	0	0%
Other: Misinterpretation of CRA policies/tax case law	0	0%
Other: Technology base or knowledge level	4	5.0%
Other: Business context of claimant not considered	4	5.0%
Other: Sample size	0	0%
Other: Financial issue	2	2.5%
Other: Salaries/wages	2	2.5%
Other: Service-related issues (due process/review procedure issues)	11	13.8%

The above table indicates that during this reporting period the principal issues in dispute, as noted by the claimant or their preparer in their NOOs, involved the interpretation and understanding of what was routine engineering (37.5%) and standard practice (38.8%).

Regarding service and procedural related issues, of the 80 NOOs reviewed, 7.5% believed their claim was not reviewed at the appropriate level, and 10.0% believed their technology base, knowledge level or business context was not taken into account by the RTA. Over 10% (13.8%) of the objections reviewed noted service related issues involving due process and the technical review procedure and in 15.0% of the NOOs reviewed, the claimant or their representative provided no specific reason for their objection.

Trends/conclusions

Below are some of the main reasons the SR&ED NOO Advisors found the RTAs' technical eligibility decisions to be incorrect/partially incorrect:

- The RTA was unclear and confusing in their rationale for disallowing the work, stating that the work was not eligible but then also stating that the work was unsubstantiated;
- the RTA erred in determining the end date of the eligible work and that an additional portion of the work should be allowed;

- the concept development work contained technological uncertainties and technological advancements and was eligible as support work for the overall project;
- the production runs claimed were not experimental development in conjunction with commercial production, but rather experimental development within experimental production;
- the work disallowed was analytical work based on actual physical measurements and should have been allowed as SR&ED.

Footnote 1 | For these four NOOs: In three cases the claimant went directly to tax court. In one case the claimant withdrew their NOO. (Return to footnote 1 source paragraph)

Last updated: 2018-11-26

Terms and conditions

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SR&ED notices of objection, trends and issues, report #32: October 1, 2017 to March 31, 2018

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  - A. Issues in dispute involving eligibility criteria
  - B. Issues in dispute involving subsection 248(1)(a-k) of the Income Tax Act
  - C. Issues in dispute involving "other" issues
- Trends/conclusions

This report covers the period from October 1, 2017 to March 31, 2018. The report only involves mandatory referrals of notices of objections (NOOs) with technical issues from the Tax Charities and Appeals Directorate to the Notice of Objection Section, Scientific Research and Experimental Development (SR&ED) Directorate. It outlines the trends that we observed during this period.

1. Statistical/general information

A. NOO intake October 1, 2017 to March 31, 2018

NOO intake – NOOs reviewed

NOO intake – NOOs reviewed	Number of files
Number of NOOs received during reporting period	89
Number of NOOs (company years) received during the reporting period	109
Number of NOOs reviewed during the reporting period	96
Number of NOOs (company years) reviewed during the reporting period	121

B. NOOs received vs NOOs reviewed on a monthly basis

October 1, 2017 to March 31, 2018

NOOs received vs NOOs reviewed on a monthly basis

-	2017-10-31	2017-11-30	2017-12-31	2018-01-31	2018-02-28	2018-03-31
NOOs received	14	17	15	6	17	20
NOOs reviewed	18	17	18	15	16	12

C. Results

NOO review results

Recommendation	Number of NOOs reviewed second half 2017-2018	% of total
Correct	76	79.2%
Partially correct	6	6.3%
Not correct	9	9.3%

NOO review results

Recommendation	Number of NOOs reviewed second half 2017-2018	% of total
Other Footnote 1	5	5.2%
Total for period	**96**	**100%**

Of the 96 NOOs reviewed during the second half of fiscal year 2017-2018, 79.2% were found to be correct where the NOO advisor agreed with the eligibility determinations. Also, during the reporting period, 6.3% of the NOOs reviewed were found to be only partially correct, where the NOO advisor did not fully agree with the eligibility determinations, and 9 of the NOOs reviewed (9.3%) were found to have incorrect eligibility decisions.

D. General information

Claim and claimant information

Claim and claimant information	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
NOOs – Refundable	82	85.4%
NOOs – Non-refundable	14	14.6%
First-time claimant	16	16.7%
First-time technical review	30	31.3%
Tax preparer involved in technical review/objection	80	83.3%
English	73	76.0%
French	13	13.6%
Bilingual	10	10.4%

ITCs in dispute

ITC value in dispute ($)	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
ITC < $50,000	30	31.3%
$50,000 < ITC < $250,000	52	54.1%
ITC > $250,000	14	14.6%

The majority of NOOs reviewed were refundable SR&ED claims that involved investment tax credits (ITC) under $250,000. Only 16.7% of the NOOs reviewed were first-time claimants and one third of the objections reviewed were claims where it was the first technical review for the claimant. The majority of the claimants (83.3%) used claim preparers in the preparation of their SR&ED claims and in filing their objections, which is in line with previous findings. And 76.0% of the objections were in English, 13.6% in French, and 10.4% were bilingual.

E. Industry sector information

Industry sector information for NOOs reviewed

Industry sector	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Agriculture	3	3.2%
Chemical engineering/sciences	1	1.0%
Civil engineering	1	1.0%
Computer sciences and information technology/software engineering/hardware automation/control systems	32	33.3%
Electrical/electronic engineering/telecommunications	6	6.3%

Industry sector information for NOOs reviewed

Industry sector	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Environmental/marine/petroleum/mining/energy and fuels engineering	8	8.3%
Food and beverage	1	1.0%
Industrial biotechnology	1	1.0%
Information technology and bioinformatics	2	2.1%
Mechanical engineering/tooling machinery and equipment/automation/automotive and transportation engineering	28	29.2%
Materials engineering, plastics, pulp and paper/textiles	7	7.3%
Medical sciences and health sciences/biomedical engineering	3	3.2%
Natural and formal sciences (chemistry)	1	1.0%
Other engineering and technologies	2	2.1%
Total	**96**	**100.0%**

During this reporting period, it was observed that over half (55.2%) of the NOOs reviewed involved various fields of engineering: chemical, civil, electrical/electronic, environmental, mining, mechanical, materials and engineering technologies. There were also a significant number (33.3%) of computer sciences, software engineering and information technology NOOs reviewed.

F. Regional breakdown of NOOs

NOOs reviewed by region

Region	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Nova Scotia	4	4.2%
Laval	7	7.3%
Quebec	5	5.2%
Montreal	11	11.5%
Ottawa	3	3.2%
Toronto Centre	12	12.5%
Toronto West	25	26.0%
Hamilton	1	1.0%
Calgary	20	20.8%
Vancouver	8	8.3%
Total	**96**	**100%**

The majority of the NOOs reviewed came from the Toronto West and Toronto Centre Tax Services Offices (TSO) (38.5%), and from the Calgary and Vancouver TSOs (29.1%). The Montreal, Laval, and Quebec TSOs made up 24.0% of the NOOs reviewed, similar to the previous reporting period.

2. Technical information

The information presented in the following tables shows the frequency of various issues under dispute that were noted in the 96 NOOs reviewed.

A. Issues in dispute involving eligibility criteria

Eligibility criteria

Criteria	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
1. Scientific/technological advancement	69	71.9%
2. Scientific/technological uncertainty	81	84.4%
3. Scientific/technological content – Hypothesis	28	29.2%
4. Scientific/technological content – Scientific method	40	41.7%
5. Scientific/technological content – Records/evidence	31	32.3%
To support scientific method	6	6.3%

From the NOOs reviewed during this reporting period, 84.4% of the files involved the eligibility criteria of scientific/technological uncertainty (S/TU) and three quarters of the files involved the eligibility criteria of scientific/technological advancement (S/TA) (71.9%). As well, a third (32.3%) of the files involved records/evidence (documentation) as issues under dispute.

B. Issues in dispute involving subsection 248(1)(a-k) of the Income Tax Act

Subsection 248(1)(a-k)

Subsection 248(1)	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
(a) Basic research	2	2.1%
(b) Applied research	2	2.1%
(c) Experimental development	51	53.1%
(d) Support work	10	10.4%
commensurate with the needs	1	1.0%
(e) Market research	0	0%
(f) Quality assurance	0	0%
(g) Social science	2	2.1%
(h) Oil and gas	0	0%
(i) Commercial production	2	2.1%
(j) Style changes	0	0%
(k) Routine data collection	0	0%

For this reporting period, the issues in dispute that involved subsection 248(1)(a-k) of the *Income Tax Act* pertained mainly to the interpretation of experimental development work (53.1%).

C. Issues in dispute involving "other" issues

Other issues in dispute

Issue	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Routine engineering	37	38.5%
Standard practice	46	47.9%

Other issues in dispute

Issue	Number of NOOs reviewed during reporting period	% of total NOOs reviewed during reporting period
Experimental production vs commercial production	2	2.1%
Prototype/pilot plant/custom product, etc.	4	4.2%
All or substantially all consumed in / all or substantially all intended	1	1.0%
Work outside Canada	1	1.0%
Research and Technology Advisor (RTA) expertise	3	3.2%
Regulatory environment	1	1.0%
Shared-use equipment	0	0%
Contract payments	3	3.2%
Materials consumed	0	0%
Material transformed	0	0%
Claim not reviewed at appropriate level	14	14.6%
No specific reason given by objector	13	13.5%
No rationale (or weak rationale) given by RTA	6	6.3%
Duration of project: Start date	0	0%
Duration of project: Finish date	0	0%
Other: Gross penalty issue	1	1.0%
Other: Misinterpretation of CRA policies/tax case law	5	5.2%
Other: Technology base or knowledge level	9	9.3%
Other: Business context of claimant not considered	4	4.2%
Other: Sample size	0	0%
Other: Financial issue	2	2.1%
Other: Salaries/wages	1	1.0%
Other: Service-related issues (due process/review procedure issues)	12	12.5%

The above table indicates that during this reporting period the principal issues in dispute, as noted by the claimant or their preparer in their NOOs, involved the interpretation and understanding of what was routine engineering (38.5%) and standard practice (47.9%).

Regarding service and procedural related issues, of the 96 NOOs reviewed, 14.6% believed their claim was not reviewed at the appropriate level, and 9.3% believed their technology base or knowledge level was not taken into account by the RTA. Over 10% (12.5%) of the objections reviewed noted service related issues involving due process and the technical review procedure and in 13.5% of the NOOs reviewed, the claimant or their representative provided no specific reason for their objection.

Trends/conclusions

Below are some of the main reasons the SR&ED NOO Advisors found the RTAs' technical eligibility decisions to be incorrect/partially incorrect:

- The RTA's rationale for disallowing the work was weak and incomplete, some work was eligible;
- the RTA incorrectly applied the *Income Tax Act* (ITA) and Eligibility of Work for SR&ED ITCs policy and eligible work was perfomed;

- the whole of the work claimed, in conjunction with a higher system uncertainty, was not considered;
- the work claimed was a continuation of eligible work from the previous year and there were still unresolved technological uncertainties, therefore, the contract work should be allowed;
- the work was not reviewed at the appropriate technological level (the RTA incorrectly broke the work down into a series of ineligible deconstructed activities);
- the RTA did not request from the claimant all available technical documentation that could have been reviewed;
- some of the work involved valid technological uncertainties, and valid technological advancements were being attempted, this work was therefore eligible;
- materials consumed, contracting work performed and directly engaged SR&ED activities performed were eligible activities;
- the issue was financial in nature, some of the salaries claimed, as well as subcontractor payments should have been allowed;
- some of the non-specified production labour should have been allowed as a portion of the work claimed was commensurate with the needs of the eligible work.

Footnote 1 For these five NOOs:
In four cases the claimant went directly to tax court.
In one case the claimant withdrew their NOO.
(Return to footnote 1 source paragraph)