CRA / External Stakeholders' Working Session

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The SR&ED claim technical review process

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Knowledge Transfer

The review process revealed

The SR&ED claim review process is now clearly set out in two CRA manuals -

Guide for Claimants

Claim Review Manual

But concerns and uncertainties remain:

will my next review be conducted differently?

will new standards be applied?

will supporting evidence be judged adequate?

what information/evidence is acceptable?

Communications

Stakeholders' Wish List:

- to be given the RTA's preliminary review findings
- complete with a detailed rationale
- preferably in writing,
- and with unlimited opportunity to respond.

How much of this is practical/achievable?

Science reports are currently issued along with the financial assessment. Communication while review is in progress is at reviewer's discretion.

Communications

Wish list for RFIs:

- They should ask only very specific questions.
- No open-ended requests for new information.
- Perhaps some best case studies and examples of helpful questions could be developed?
- Are RTAs restricted to formal language?
- Would phone calls be helpful to clarify the issues?

Information and evidence

- It’s now widely accepted that SR&ED claims must be supported by documentation.
- But there’s still confusion about what constitutes “adequate” documentation.
- There are mixed signals in the guidance material.
- Program users need practical help, with specifics and examples.
- More explicit requirements would also help RTAs.

Information and evidence

- All evidence is information, but not all information is evidence.
- Site visits, technical meetings, information submitted with the claim, indirect information, are all traditional sources of information.
- RTAs differ in the value they place on these sources.
- Claims are being dismissed for lack of evidence even though there is plenty of information.

Other consistency issues

- Varying standards for eligibility, and whether the development process was scientific.
- Some RTAs still use a traditional review process, others examine evidence record before eligibility.
- RFI response periods shorter than 30 days.
- Claims denied without a review.

Discussion

For each of the following issues:

- is this a common problem?
- how significant is it?
- can we see a solution that would be effective?
- a solution that CRA could endorse and implement?

1] Communication during the review process.

- Is receiving the financial and scientific reports at the same time an important benefit? Does it compensate for elimination of the draft science report?
- Is lack of communication during claim review a serious problem?
- Would oral communication be sufficient, or is it important to have the RTA's decisions and arguments in writing?

2] Requests for Information

- Instructions have been issued for RTAs to request only information needed to resolve issues that have been identified.
- Has the situation improved?
- or are "generic" RFIs still being received?
- Would follow-up phone calls from RTAs be helpful?

3] Evidence

- How well are claimants coping with current evidence requirements?
- To what extent are otherwise eligible claims being disallowed for insufficient evidence?
- What additional guidance is needed?

4] Consistency

- To what extent is the value of the SR&ED program being affected by inconsistency?
- What is the right balance between reviewers' discretion and consistency of the review process?
- Would inconsistency be less of a problem if provisions for resolution of claimants' concerns were improved?