

# Director Personally Liable for GST Remittance, *Legal Alert*, February 2013

DENTONS

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In *Canada v. Barrett* ("*Barrett*"), the Federal Court of Appeal held a director personally liable for GST remittance collected from third parties by the corporation. The court ordered the director to pay \$128,000 to the Canada Revenue Agency ("CRA").

Directors of corporations should take note of this decision. It confirms that directors will be personally liable for the corporation's GST obligations if the CRA is unable to collect from the corporation and a director cannot establish that he or she took reasonable steps to prevent the corporation from failing to remit the taxes owing.

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