



February 14th, 2025

The Honourable Dominic LeBlanc, P.C., M.P.
Minister of Intergovernmental Affairs
Minister of Finance
House of Commons
Ottawa, Ontario,
Canada
K1A 0A6

Dear Minister LeBlanc,

Re: Digital Services Tax – Request for Action

IAB Canada is writing this letter to once again address the issue of the Digital Services Tax (DST) and its effects on Canada. When it was first proposed, it was universally condemned and opposed on both sides of the border from the largest to the smallest of businesses. At the very least, we urged the federal government to repeal its retroactivity portion. We hope to bring further attention to this pressing matter and urge its immediate repeal, especially given the current state of trade relations between Canada and the United States.

US policy was top of mind during IAB Canada's cross-country Tech Trek. We discussed the major concerns in our sector and how to deal with the headwinds south of the border. Understanding the knock-on effects of the tariffs we managed to temporarily head off, it's hard to think of a better time to relitigate the ill-timed DST that almost *certainly* primed the new administration to respond as harshly as it has.

Last summer, we wrote directly to Prime Minister Justin Trudeau to weigh the consequences of such a targeted tax knowing that the Canada-United States-Mexico Agreement (CUSMA) was ripe for renegotiation. You can read our letter on our Digital Services Tax Resources page [here](#), under the heading "IAB Canada Responds to Policymakers". We shared our concerns about the deep impact this tax would have on small businesses and the direct trickle-down effect it would have

on consumers. Now we're faced with the imposition of the DST with its wheels already in motion while the new administration is provoked and ready to deal more blows.

President Trump has made abundantly clear that the DST is directly in his crosshairs, encouraging American companies to propose reciprocal tariffs within the next 180 days. To prevent additional retaliation beyond the tariffs currently anticipated, we would urge the DST's immediate repeal.

IAB Canada is committed to supporting the sustainable well-being of the \$18B digital advertising sector in Canada. We remain ready and eager to offer our resources and assistance with regards to providing a deeper understanding of the economic impact the DST poses to our economy.

Sincerely,

A handwritten signature in black ink that reads "Sonia Carreno". The script is cursive and fluid.

Sonia Carreno
President, IAB Canada

About Interactive Advertising Bureau of Canada

IAB Canada represents over 250 of Canada's most well-known and respected stakeholders in the digital advertising and marketing sector, including advertisers, advertising agencies, media companies, digital media publishers and platforms, social media platforms, ad tech providers and platforms, data companies, mobile and video game marketers and developers, measurement companies, service providers, educational institutions, and government associations operating within the space. Our members include numerous small and medium sized enterprises.