



May 28th, 2025

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Finance and National Revenue
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Champagne,

Re: Urging the Repeal of The Digital Services Tax (DST)

I am writing on behalf of the Interactive Advertising Bureau of Canada (IAB Canada), the only not-for-profit trade association exclusively dedicated to the development and promotion of the \$18B and rapidly growing digital marketing and advertising sector in our country. We are urging the federal government to repeal the Digital Services Tax (DST), or at a minimum, to eliminate its retroactive provision application prior to June 30th of this year, when the first payments are due.

From the outset, the DST has faced strong opposition in both Canada and the United States. Chief among the concerns is its retroactive application to January 1st, 2022. Both the Biden and Trump administrations have opposed it strongly – President Trump, in particular, has encouraged American companies to seek retaliatory tariffs against countries imposing digital service taxes. This tax is also likely to factor into the upcoming Canada-United States-Mexico Agreement (CUSMA) renegotiations, currently scheduled for June 2026 but may begin sooner, as President Trump has publicly indicated his intent to accelerate talks.

The domestic response has been equally troubling. While some digital platforms have absorbed the costs of the DST, others have passed them on to Canadian advertisers – primarily small and medium-sized enterprises (SMEs). These businesses, many of which depend on affordable digital advertising to remain competitive, have reported severe impacts to their budgets, with some even facing the risk of closure.

Given the central role of the digital advertising sector in supporting all Canadian businesses, any further economic pressure – particularly in the form of retaliatory tariffs – will affect all industries and threaten our broader economic recovery.

IAB Canada remains committed to the long-term health of Canada's digital advertising ecosystem and stands ready to collaborate with your office on solutions that support Canadian innovation, business growth, and competitiveness.

Sincerely,

Sonia Carreno

Sonia Carreno
President, IAB Canada

About the 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.