

**Date: 20071030**

**Docket: A-233-06**

**Citation: 2007 FCA 344**

**CORAM: LÉTOURNEAU J.A.  
NOËL J.A.  
TRUDEL J.A.**

**BETWEEN:**

**YVES LANDRY**

**Appellant**

**and**

**HER MAJESTY THE QUEEN**

**Respondent**

Hearing held at Québec, Quebec on October 30, 2007.

Judgment from the bench at Québec, Quebec on October 30, 2007.

**REASONS FOR JUDGMENT OF THE COURT:**

**NOËL J.A.**

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**REASONS FOR JUDGMENT OF THE COURT**  
**(Delivered from the bench at Québec, Quebec on October 30, 2007)**

**NOËL J.A.**

[1] This is an appeal from a decision by Judge Bédard of the Tax Court of Canada, affirming a reassessment made of the appellant for the 2001 taxation year by which the Minister of National Revenue (“the Minister”) added the sum of \$17,769 to the appellant’s income as interest and other

investment income from the disposal by the appellant of an interest in a life insurance policy in 2001.

[2] The appellant argued that by an agreement concluded between himself and the Minister in 1999 (the settlement), the sum of \$17,769 could not constitute income. The effect of the settlement in question was to determine the taxes, interest and penalties which the appellant owed the Minister for 1996 and previous years. In the appellant's submission, this settlement also applied to interest which he received in June 2001, following the disposal of part of his interest in the life insurance policy.

[3] Counsel for the appellant reduced the issue in this Court to a single question. In his submission, Judge Bédard could not dismiss the testimony of his client, who explained that he had agreed expressly with the Minister's representative for the amount in question to be part of the settlement. In counsel's submission only the testimony of Mr. Gallagher, the Minister's representative, could rebut his client's testimony.

[4] With respect, we do not share this view. The terms of the settlement reproduced in paragraphs 38 to 41 of the appeal case indicate that it was a general and final settlement of taxes for 1996 and previous years. The interest at issue resulted from the sale in 2001 of part of the interest which the appellant held in his life insurance policy, an amount which under the wording of the Act is taxable in the year of the sale.

[5] In these circumstances, and taking into account the clear wording of the agreement, there is no reason for questioning the conclusion of the trial judge, who characterized the interpretation suggested by the appellant as unlikely.

[6] The appeal will be dismissed with costs in this Court.

“Marc Noël”

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J.A.

Certified true translation

Brian McCordick, Translator

**FEDERAL COURT OF APPEAL**

**SOLICITORS OF RECORD**

**DOCKET:** A-233-06

**STYLE OF CAUSE:** YVES LANDRY v. HER MAJESTY  
THE QUEEN

**PLACE OF HEARING:** Québec

**DATE OF HEARING:** October 30, 2007

**REASONS FOR JUDGMENT OF THE COURT:** NOËL J.A.

**DELIVERED FROM THE BENCH BY:** NOËL J.A.

**APPEARANCES:**

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Martin Lamoureux FOR THE RESPONDENT

**SOLICITORS OF RECORD:**

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