



## Red Tape Reduction

### Summary

Approximately 1% of Canadians live with celiac disease. Multiple federal programs and regulations unintentionally create high administrative burdens for individuals, businesses and government agencies associated with CeD. Some simple design and regulatory clarity changes would deliver measurable red tape reduction aligned with the Federal Government's Horizontal Red Tape Review Themes 2, 3 and 5.

### Issue and Context

Celiac disease (CeD) is a chronic autoimmune condition that is managed entirely through Medical Nutrition Therapy (MNT) consisting of a strict gluten-free (GF) diet. GF foods require dedicated production and testing controls, resulting in higher consumer costs and regulatory complexity. Two areas—**tax policy administration and food regulation**—present clear opportunities for red tape reduction without increasing risk. Current approaches impose administrative effort that is disproportionate to policy risk and outcomes.

### Priority Area 1: Medical Expense Tax Credit (METC) Modernization

Issue: Individuals with CeD may claim incremental GF food costs through the METC, but the current pathway requires year-long retention of grocery receipts, item-by-item cost comparisons against gluten-containing equivalents, and household prorating. This service design leads to low take-up, inequitable access, and avoidable CRA workload related to reviews and reassessments.

#### Proposed Change:

- Introduce a standardized, annual flat-rate METC amount for medically diagnosed CeD, designed as a refundable credit. \$1,000 per eligible adult, \$600 per eligible child.
- Enable one-time (or infrequent) digital medical certification, visible in CRA My Account and tax software.
- Shift to risk-based verification rather than universal micro-evidence collection.

#### Expected Red Tape Reduction and Outcomes:

- Significant reduction in claimant time-on-task and compliance anxiety.
- Reduced CRA contacts, receipt processing, and low-yield audits.
- Improved equity for lower-income households and those with limited digital or accounting capacity.
- Clear, measurable service-delivery improvements aligned with Theme 5 (regulatory service delivery).

### Priority Area 2: Clarifying Gluten-Free Food Regulations (Divisions 24 & 25)

Issue: GF compositional and labelling requirements are currently dispersed across regulations, marketing authorizations, and guidance documents. As Health Canada modernizes Divisions 24 and 25, fragmented gluten-free provisions increase uncertainty for manufacturers, slows time-to-market, and generates additional interpretation requests to Health Canada and CFIA.



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### Proposed Change:

- Create a consolidated “GF Foods” subsection within the modernized regulations.
- Standardize use of the term “gluten-free / sans gluten.”
- Codify existing interim measures (e.g., gluten-free oats) directly in regulation.
- Clarify permissibility of fortification for GF staple foods.

### Expected Red Tape Reduction and Outcomes:

- Clearer, more discoverable compliance requirements for industry.
- Reduced pre-market questions, re-labelling, and interpretation disputes.
- Faster market access for compliant products (Theme 2).
- More predictable oversight and reduced regulatory friction (Themes 3 and 5).

### Alignment with Treasury Board Objectives

Both proposals advance Treasury Board priorities by embedding digital-first service design, proportionate evidence requirements, and risk-based oversight. They offer concrete, low-risk examples of how red tape reduction can improve outcomes for Canadians while reducing administrative burden for government.

### Role for Treasury Board

The Treasury Board Secretariat can support these initiatives through guidance on program design, regulatory modernization oversight, and coordination across CRA, Health Canada, and CFIA to ensure red tape reductions are measurable, durable, and replicable.

### Questions? Please contact:

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