

Draft Regulations Amending Various GST/HST Regulations



DRAFT REGULATIONS AMENDING VARIOUS GST/HST REGULATIONS

PART 1

SELECTED LISTED FINANCIAL INSTITUTIONS ATTRIBUTION METHOD  
(GST/HST) REGULATIONS

1. The heading before section 1 of the French version of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* is replaced by the following:

DÉFINITIONS ET INTERPRÉTATION

2. Sections 1 to 16 of the Regulations are replaced by the following:

Definitions	1. (1) The following definitions apply in these Regulations and in subsection 225.2(2) of the Act as adapted by these Regulations.
“Act” « Loi »	“Act” means the <i>Excise Tax Act</i> .
“defined benefits pension plan” « régime de pension à prestations déterminées »	“defined benefits pension plan” means the part of a pension plan that is in respect of benefits under the plan that are determined in accordance with a formula set forth in the plan, provided that the employer contributions under that part of the pension plan are not so determined.
“defined contribution pension plan” « régime de pension à cotisations déterminées »	“defined contribution pension plan” means the part of a pension plan that is not a defined benefits pension plan.
“distributed investment plan” « régime de placement par répartition »	“distributed investment plan” means an investment plan that is a mutual fund trust, a mutual fund corporation, a unit trust, a mortgage investment corporation, an investment corporation, a non-resident-owned investment corporation or a segregated fund of an insurer.
“employer resource” « ressource d’employeur »	“employer resource” has the same meaning as in subsection 172.1(1) of the Act.
“exchange-traded fund” « fonds coté en bourse »	“exchange-traded fund” means a distributed investment plan, any units of which are listed or traded on a stock exchange or other public market.
“exchange-traded series” « série cotée en bourse »	“exchange-traded series” of a stratified investment plan means a series of the plan, the units of which are listed or traded on a stock exchange or other public market.
“individual” « particulier »	“individual” includes the estate of a deceased individual.
“investment plan” « régime de placement »	“investment plan” means a person referred to in subparagraph 149(1)(a)(vi) or (ix) of the Act, other than a trust governed by a registered retirement savings plan, a registered retirement income fund or a registered education savings plan.
“manager” « gestionnaire »	“manager” of an investment plan means

(a) in the case of a pension entity of a pension plan, the administrator, as defined in subsection 147.1(1) of the *Income Tax Act*, of the pension plan; and

(b) in any other case, the person that has ultimate responsibility for the management and administration of the assets and liabilities of the investment plan.

“non-stratified investment plan”  
« régime de placement non stratifié »

“non-stratified investment plan” means a distributed investment plan that is not a stratified investment plan.

“pension entity”  
« entité de gestion »

“pension entity” means an investment plan that is a pension entity for the purposes of section 172.1 of the Act.

“pension plan”  
« régime de pension »

“pension plan” has the same meaning as in subsection 172.1(1) of the Act.

“permanent establishment”  
« établissement stable »

“permanent establishment”

(a) in the case of a corporation, means a permanent establishment as determined under subsection 400(2) of the *Income Tax Regulations*;

(b) in the case of an individual or a trust, means a permanent establishment as determined under subsection 2600(2) of the *Income Tax Regulations*;

(c) in the case of a qualifying partnership all the members of which are individuals or trusts, means a permanent establishment that would be a permanent establishment of the qualifying partnership under subsection 2600(2) of the *Income Tax Regulations* if the qualifying partnership were an individual; and

(d) in the case of a qualifying partnership to which paragraph (c) does not apply, means a permanent establishment that would be the permanent establishment of the qualifying partnership under subsection 400(2) of the *Income Tax Regulations* if the qualifying partnership were a corporation.

“plan member”  
« participant »

“plan member” of an investment plan that is a private investment plan or a pension entity of a pension plan means an individual who has a right, either immediate or in the future and either absolute or contingent, to receive benefits under

(a) if the investment plan is an employee life and health trust, the investment plan;

(b) if the investment plan is a pension entity of a pension plan, the pension plan; and

(c) in any other case, the deferred profit sharing plan, the employee benefit plan, the employee trust, the employees profit sharing plan, the registered supplementary unemployment benefit plan or the retirement compensation arrangement, as the case may be, that governs the investment plan.

“private investment plan”  
« régime de placement privé »

“private investment plan” means an investment plan that is an employee life and health trust or a trust governed by a deferred profit sharing plan, an employee benefit plan, an employee trust, an employees profit sharing plan, a registered supplementary unemployment benefit plan or a retirement compensation arrangement.

“provincial series”  
« série provinciale »

“provincial series” for a fiscal year of a stratified investment plan means a series of the stratified investment plan that meets the following conditions throughout the fiscal year in respect of a particular province:

(a) under the laws of Canada or a province, units of the series are permitted to be sold or distributed in the particular province and are not permitted to be sold or distributed in any other province;

(b) under the terms of the prospectus, registration statement or other similar document for the series, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the series include

(i) that the person be resident in the particular province when the units are acquired, and

(ii) if the person ceases to be resident in the particular province on a particular day, that the units be sold, transferred or redeemed within a reasonable time after that day; and

(c) the stratified investment plan’s percentage for the series, for the particular province and for the taxation year in which the preceding fiscal year ends, or the percentage that would be the stratified investment plan’s percentage for the series, for the particular province and for that taxation year if the particular province were a participating province, is 90% or more.

“series”  
« série »

“series”

(a) in the case of a trust, means a class of units of the trust; and

(b) in the case of a corporation, means a class of the capital stock of the corporation.

“specified resource”  
« ressource déterminée »

“specified resource” means a specified resource within the meaning of subsection 172.1(5) of the Act.

“stratified investment plan”  
« régime de placement stratifié »

“stratified investment plan” means a distributed investment plan, the units of which are issued in two or more series.

“unit”  
« unité »

“unit”

(a) in the case of a trust, means a unit of the trust;

(b) in the case of a series of a trust, means a unit of the trust of that series;

(c) in the case of a corporation, means a share of the capital stock of the corporation;

(d) in the case of a series of a corporation, means a share of the capital stock of the corporation of that series; and

(e) in the case of a segregated fund of an insurer, means an interest of a person, other than the insurer, in the segregated fund.

Further definitions —  
Income Tax Act

(2) For the purposes of these Regulations, “deferred profit sharing plan”, “employee benefit plan”, “employee trust”, “employees profit sharing plan”, “investment corporation”, “mortgage investment corporation”, “mutual fund corporation”, “mutual fund trust”,

“non-resident-owned investment corporation”, “registered disability savings plan”, “registered education savings plan”, “registered retirement income fund”, “registered retirement savings plan”, “registered supplementary unemployment benefit plan”, “retirement compensation arrangement”, “TFSA” and “unit trust” have the same meanings as in subsection 248(1) of the *Income Tax Act*.

Meaning of  
“qualifying  
partnership”

2. For the purposes of these Regulations, a partnership is a “qualifying partnership” during a taxation year of the partnership if, at any time in the taxation year, the partnership has

(a) a member that has, at any time in the taxation year of the member in which the taxation year of the partnership ends, a permanent establishment in a particular participating province through which a business of the partnership is carried on or that is deemed under section 4 to be a permanent establishment of the member; and

(b) a member (including a member referred to in paragraph (a)) that has, at any time in the taxation year of the member in which the taxation year of the partnership ends, a permanent establishment in a province other than the particular participating province through which a business of the partnership is carried on or that is deemed under section 4 to be a permanent establishment of the member.

Definitions

3. (1) The following definitions apply in this section.

“designated  
employee  
benefit”  
« *prestation  
designée* »

“designated employee benefit” means a benefit from a group term life insurance policy or a private health services plan, as those terms are defined in subsection 248(1) of the *Income Tax Act*, or from a group sickness or accident insurance plan.

“employee”  
« *employé* »

“employee” means a current or former employee of an employer and includes an individual in respect of whom the employer has assumed responsibility for the provision of designated employee benefits as a result of the acquisition by the employer of a business in which the individual was employed.

“key employee”  
« *employé clé* »

“key employee” of an employer in respect of a particular taxation year means an employee who

(a) was at any time in the particular taxation year or in a preceding taxation year, a specified employee (as defined in subsection 248(1) of the *Income Tax Act*) of the employer; or

(b) was an employee whose employment income for the purposes of the *Income Tax Act* from the employer in any two of the five taxation years preceding the particular taxation year exceeded five times the Year’s Maximum Pensionable Earnings (as determined under section 18 of the *Canada Pension Plan*) for the calendar year in which the employment income was earned.

Meaning of  
“employee life  
and health trust”

(2) For the purposes of these Regulations, a trust that is established for employees of one or more employers (each referred to in this subsection as a “participating employer”) is an “employee life and health trust” for a taxation year if, throughout the taxation year, it meets the following conditions:

(a) the only objects of the trust are

(i) to provide designated employee benefits to, or for the benefit of, employees of a participating employer, and

- (ii) to benefit on a *pro rata* basis any remaining beneficiaries of the trust (excluding key employees) on wind-up;
- (b) the trust is resident in Canada for the purposes of the *Income Tax Act*, determined without reference to section 94 of that Act;
- (c) each beneficiary of the trust is
  - (i) an employee of a participating employer,
  - (ii) an individual who is or was related to an employee of a participating employer, or
  - (iii) another employee life and health trust;
- (d) it cannot reasonably be considered, having regard to all circumstances, that the trust is maintained primarily for the benefit of one or more key employees of a participating employer;
- (e) the rights under the trust of each key employee of a participating employer are not more advantageous than the rights of each plan member of a class of beneficiaries under the trust, if
  - (i) the plan members of the class represent at least 25% of all of the beneficiaries of the trust who are employees of the participating employer,
  - (ii) at least 75% of the plan members of the class are not key employees of the participating employer, and
  - (iii) the rights of each plan member of the class under the trust are identical;
- (f) the terms of the trust do not provide any rights to a participating employer or to any person that does not deal at arm's length with a participating employer, as a beneficiary or otherwise, except rights to designated employee benefits;
- (g) the trust is administered in accordance with its terms and objects;
- (h) the trust has a legal right to enforce payment of contributions to the trust; and
- (i) representatives of one or more participating employers do not constitute the majority of the trustees of the trust.

**4. For the purposes of these Regulations,**

- (a) if a financial institution is a bank and if, at any time in a taxation year of the financial institution, the financial institution maintains a deposit or other similar account that is in the name of a person resident in a province or a loan that was made by the financial institution is outstanding and is secured by land situated in a province or, if not secured by land, is owing by a person resident in a province, the following rules apply:
  - (i) the financial institution is deemed to have a permanent establishment in the province throughout the taxation year, and
  - (ii) the following loans made by the financial institution and deposit and other similar accounts maintained by the financial institution are deemed to be loans and deposits of the permanent establishment referred to in subparagraph (i) and not of any other permanent establishment of the financial institution:

Permanent  
establishment in  
province

- (A) outstanding loans secured by land situated in the province,
- (B) outstanding loans, not secured by land, owing by persons resident in the province, and
- (C) deposit and other similar accounts in the name of a person resident in the province;

(b) if a financial institution is an insurer that, at any time in a taxation year of the financial institution, is insuring a risk in respect of property ordinarily situated in a province or in respect of a person resident in a province, the financial institution is deemed to have a permanent establishment in the province throughout the taxation year;

(c) if a financial institution is a trust and loan corporation, a trust corporation or a loan corporation and if, at any time in a taxation year of the financial institution, the financial institution conducts business (other than business in respect of loans) in a province or a loan that was made by the financial institution is outstanding and is secured by land situated in a province or, if not secured by land, is owing by a person resident in a province, the financial institution is deemed to have a permanent establishment in the province throughout the taxation year;

(d) if a financial institution is a segregated fund of an insurer, the financial institution is deemed to have a permanent establishment in a particular province throughout a taxation year of the financial institution if, at any time in the taxation year,

- (i) the insurer is qualified, under the laws of Canada or a province, to sell units of the financial institution in the particular province, or

- (ii) a person resident in the particular province holds one or more units of the financial institution;

(e) if a financial institution is a distributed investment plan (other than a segregated fund of an insurer), the financial institution is deemed to have a permanent establishment in a particular province throughout a taxation year of the financial institution if, at any time in the taxation year,

- (i) the financial institution is qualified, under the laws of Canada or a province, to sell or distribute units of the financial institution in the particular province, or

- (ii) a person resident in the particular province holds one or more units of the financial institution; and

(f) if a financial institution is a private investment plan or a pension entity of a pension plan and, at any time in a taxation year of the financial institution, a plan member of the financial institution is resident in a province, the financial institution is deemed to have a permanent establishment in the province throughout the taxation year.

Permanent establishment throughout taxation year

**5.** For the purposes of these Regulations, a financial institution has a permanent establishment in a province throughout a taxation year of the financial institution if the financial institution has a permanent establishment in the province at any time in the taxation year.

Residence of person

**6.** For the purposes of these Regulations and despite subsection 132.1(1) of the Act, a person resident in Canada is resident in the province



- (a) if the person is an individual, where the person’s principal mailing address in Canada is located;
- (b) if the person is a corporation or a partnership, where the person’s principal business in Canada is located;
- (c) if the person is a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan or a TFSA, where the principal mailing address in Canada of the annuitant of the registered retirement savings plan or registered retirement income fund, of the subscriber of the registered education savings plan or of the holder of the registered disability savings plan or TFSA is located;
- (d) if the person is a trust, other than a trust described in paragraph (c), where the trustee’s principal business in Canada is located or, if the trustee is not carrying on a business, where the trustee’s principal mailing address in Canada is located; and
- (e) in any other case, where the person’s principal business in Canada is located or, if the person is not carrying on a business, where the person’s principal mailing address in Canada is located.

Class of shares issued in series

**7.** A reference in these Regulations to a “class” is to be read, with any necessary modifications, as a reference to a “series of the class” in relation to a corporation that has issued shares of a class of its capital stock in one or more series.

Definitions — section 225.3 of Act

**8.** (1) For the purpose of section 225.3 of the Act, “exchange-traded fund”, “exchange-traded series”, “series” and “stratified investment plan” have the same meanings as in subsection 1(1).

Definitions — section 225.4 of Act

(2) For the purpose of section 225.4 of the Act,

- (a) “exchange-traded fund”, “exchange-traded series”, “individual”, “investment plan”, “non-stratified investment plan”, “plan member”, “private investment plan”, “series”, “stratified investment plan” and “unit” have the same meanings as in subsection 1(1); and
- (b) “specified investor” has the same meaning as in section 17.

## PART 1

### PRESCRIBED FINANCIAL INSTITUTIONS

Definition of “unrecoverable tax amount”

**9.** (1) For the purposes of this section, “unrecoverable tax amount” for a reporting period of a person means the amount determined by the formula

$$A - B$$

where

A is the total of all amounts, each of which is

- (a) an amount that would be included in the total for A in subsection 225.2(2) of the Act, read without reference to any adaptation made under Part 5, for the reporting period, if the person were a selected listed financial institution throughout the reporting period, or

(b) an amount of tax that the person is deemed to have paid under subparagraph 172.1(5)(d)(ii) or (6)(d)(ii) or paragraph 172.1(7)(d) of the Act during the reporting period; and

B is the total of all amounts, each of which is an amount that would be included in the total for B in subsection 225.2(2) of the Act, read without reference to any adaptation made under Part 5, for the reporting period, if the person were a selected listed financial institution throughout the reporting period.

Qualifying small investment plan

(2) For the purposes of this Part, an investment plan (other than a distributed investment plan) is a qualifying small investment plan for a particular fiscal year of the investment plan if

(a) if the particular fiscal year is the first fiscal year of the investment plan, the amount determined by the following formula for each reporting period of the investment plan included in the particular fiscal year is equal to or less than \$10,000:

$$A \times (365/B)$$

where

A is the unrecoverable tax amount for the reporting period, and

B is the number of days in the reporting period; and

(b) in any other case, the amount determined by the following formula is equal to or less than \$10,000:

$$A \times (365/B)$$

where

A is the total of all amounts, each of which is an unrecoverable tax amount for a reporting period of the investment plan included in the fiscal year of the investment plan (in this paragraph referred to as the “preceding fiscal year”) that precedes the particular fiscal year, and

B is the number of days in the preceding fiscal year.

Investment plan

**10.** For the purposes of paragraph 149(5)(g) of the Act, an employee life and health trust is a prescribed person.

Prescribed financial institution — Paragraph 225.2(1)(b) of Act

**11.** Subject to sections 12 to 14 and for the purpose of paragraph 225.2(1)(b) of the Act, a financial institution is a prescribed financial institution throughout a reporting period in a particular fiscal year that ends in a taxation year of the financial institution if

(a) the financial institution

(i) has, at any time in the taxation year, a permanent establishment in a participating province and has, at any time in the taxation year, a permanent establishment in any other province, or

(ii) is a qualifying partnership during the taxation year; and

(b) if the financial institution is a qualifying small investment plan for the particular fiscal year,

- (i) subject to section 16, the financial institution
  - (A) was a selected listed financial institution throughout either one of the two fiscal years of the financial institution preceding the particular fiscal year,
  - (B) was not a qualifying small investment plan for either one of the two fiscal years of the financial institution preceding the particular fiscal year, and
  - (C) was not a selected listed financial institution throughout the third fiscal year of the financial institution preceding the particular fiscal year, or
- (ii) the financial institution has made an election under subsection 15(1) that is in effect throughout the particular fiscal year.

Exception —  
provincial  
investment plans

**12.** Section 11 does not apply in respect of a reporting period in a fiscal year that ends in a taxation year of a financial institution that is a non-stratified investment plan and that meets the following conditions throughout the fiscal year in respect of a particular province:

- (a) under the laws of Canada or a province, units of the financial institution are permitted to be sold or distributed in the particular province but are not permitted to be sold or distributed in any other province;
- (b) under the terms of the prospectus, registration statement or other similar document for the financial institution, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the financial institution include
  - (i) that the person be resident in the particular province when the units are acquired, and
  - (ii) if the person ceases to be resident in the particular province on a particular day, that the units be sold, transferred or redeemed within a reasonable time after that day; and
- (c) the financial institution's percentage for the particular province and for the taxation year in which the preceding fiscal year ends, or the percentage that would be the financial institution's percentage for the particular province and for that taxation year if the particular province were a participating province, is 90% or more.

Exception —  
investment plans  
with provincial  
series

**13.** Section 11 does not apply in respect of a reporting period in a fiscal year of a financial institution that is a stratified investment plan if each series of the financial institution is a provincial series for the fiscal year.

Exception —  
pension and  
private  
investment plans

**14.** Section 11 does not apply in respect of a reporting period in a fiscal year that ends in a taxation year of a financial institution that is a private investment plan or a pension entity of a pension plan if

- (a) throughout the taxation year, less than 10% of the total number of plan members of the financial institution are resident in the participating provinces; and
- (b) throughout the preceding fiscal year,
  - (i) in the case of a pension entity of a defined benefits pension plan, the total value of the actuarial liabilities of the pension plan that are reasonably attributable to the plan members of the financial institution resident in the participating provinces is less than \$100,000,000, and

(ii) in any other case, the total value of the assets of the investment plan or pension plan that are reasonably attributable to the plan members of the financial institution resident in the participating provinces is less than \$100,000,000.

Election —  
qualifying small  
investment plan

**15.** (1) If an investment plan is, or reasonably expects to be, a qualifying small investment plan for a fiscal year and no application by the financial institution under subsection 16(1) in respect of the fiscal year has been approved by the Minister, the investment plan may make an election for the purposes of subparagraph 11(b)(ii) that is effective from the first day of the fiscal year.

Form of election

(2) An election made under subsection (1) by an investment plan is to

- (a) be made in prescribed form containing prescribed information;
- (b) set out the first fiscal year of the investment plan during which the election is to be in effect; and
- (c) be filed with the Minister in prescribed manner on or before the first day of that first fiscal year or any later day that the Minister may allow.

Cessation

(3) An election made under subsection (1) by a person ceases to have effect on the day that is the earliest of

- (a) the first day of a fiscal year that ends in the first taxation year of the person for which the person does not meet the requirement set out in paragraph 11(a);
- (b) the first day of the fiscal year of the person in which the person ceases to be an investment plan; and
- (c) the day on which a revocation of the election becomes effective.

Revocation

(4) An investment plan that has made an election under subsection (1) may revoke the election, effective on the first day of a fiscal year of the investment plan that begins at least three years after the election became effective or such earlier day as the Minister may allow on application by the person, by filing in prescribed manner a notice of revocation with the Minister in prescribed form containing prescribed information not later than the day on which the revocation is to become effective or any later day that the Minister may allow.

Application for  
small investment  
plan status

**16.** (1) An investment plan may apply to the Minister to not have subparagraph 11(b)(i) apply in determining if the investment plan is a selected listed financial institution for any reporting period in a particular fiscal year of the investment plan and for any reporting period in the fiscal year of the investment plan immediately following the particular fiscal year.

Authorization

(2) On receipt of an application made by an investment plan under subsection (1) in respect of a particular fiscal year of the investment plan and the fiscal year of the investment plan immediately following the particular fiscal year, the Minister must, within 90 days of that receipt, consider the application and, if it is reasonable, based on the information in the possession of the Minister, to expect that the investment plan will be a qualifying small investment plan for those two fiscal years, approve the application or, in any other case, refuse the application, and must, within that time limit, notify the investment plan in writing of the decision.

Form and  
manner of  
application

(3) An application made by an investment plan under subsection (1) is to be made in prescribed form containing prescribed information and is to be filed with the Minister in

prescribed manner on or before the day that is 90 days before the first day of the first fiscal year to which the application applies or any later day that the Minister may allow.

## PART 2

### PERCENTAGE FOR A PARTICIPATING PROVINCE

#### INTERPRETATION

Definitions

**17.** (1) The following definitions apply in this Part.

“attribution point”  
« *moment d'attribution* »

“attribution point” in respect of an investment plan, or in respect of a series of an investment plan, for a taxation year in which a particular fiscal year of the investment plan ends means

(a) if no election under section 19 is in effect throughout the particular fiscal year in respect of the investment plan or series,

(i) in the case of a series,

(A) if the series is an exchange-traded series, each of September 30 of the particular fiscal year and one or more, as determined by the investment plan, of March 31, June 30 and December 31 of the particular fiscal year, and

(B) in any other case, September 30 of the particular fiscal year, and

(ii) in the case of an investment plan,

(A) if the investment plan is a distributed investment plan (other than an exchange-traded fund) or a pension entity of a defined contribution pension plan, September 30 of the particular fiscal year,

(B) if the investment plan is an exchange-traded fund, each of September 30 of the particular fiscal year and one or more, as determined by the investment plan, of March 31, June 30 and December 31 of the particular fiscal year,

(C) if the investment plan is a pension entity of a defined benefits pension plan, the last day in the particular fiscal year and the three preceding fiscal years of the investment plan for which calculations of the actuarial liabilities of the plan have been completed or, if no such day exists, September 30 of the particular fiscal year, and

(D) in any other case, the last day in the particular fiscal year and the preceding fiscal year of the investment plan for which the investment plan has, or can reasonably be expected to have, all or substantially all of the data required to calculate the investment plan's percentage for each participating province and for the particular fiscal year or, if no such day exists, September 30 of the particular fiscal year; and

(b) if an election under section 19 is in effect throughout the particular fiscal year in respect of the investment plan or series,

(i) if the election specifies that attribution points are to be quarterly, the last business day in each of March, June and September of the particular fiscal year and December of the preceding fiscal year, or any four days of the particular fiscal year, each of which is in a different fiscal quarter in the particular fiscal year, that the Minister may allow on application by the investment plan,

(ii) if the election specifies that attribution points are to be monthly, each of the last business day of each month, or such other day of each month that the Minister may allow on application by the investment plan, in the 12-month period ending on September 30 of the particular fiscal year,

(iii) if the election specifies that the attribution points are to be weekly, each of the last business day of each week, or such other day of each week that the Minister may allow on application by the investment plan, in the 12-month period ending on September 30 of the particular fiscal year, and

(iv) if the election specifies that the attribution points are to be daily, each business day in the 12-month period ending on September 30 of the particular fiscal year.

“gross revenue”  
« *recettes  
brutes* »

“gross revenue” of a selected listed financial institution for a period means the amount that would be the gross revenue of the financial institution for the period for the purposes of the *Income Tax Act* if the financial institution were a taxpayer under that Act and if every reference in that Act to a taxation year of the financial institution were read as a reference to that period.

“particular  
period”  
« *période  
donnée* »

“particular period” means

(a) in applying this Part for the purpose of the description of C in subsection 225.2(2) of the Act (other than for the determination of the amount for C in that subsection for the purpose of subsection 228(2.2) of the Act) and for the purpose of the description of A<sub>6</sub> in subsection 225.2(2) of the Act, as adapted by subsection 51(1), a taxation year;

(b) in applying this Part for the determination of the amount for C in subsection 225.2(2) of the Act for the purpose of subsection 228(2.2) of the Act, a reporting period; and

(c) in applying this Part for the purpose of the description of D in subparagraph 237(5)(b)(ii) of the Act, a fiscal quarter.

“specified  
investor”  
« *investisseur  
déterminé* »

“specified investor” in a particular distributed investment plan for a fiscal year of the particular investment plan that ends in a calendar year means a person (other than an individual or a distributed investment plan) that holds units of the particular investment plan as of September 30 of the preceding calendar year and that meets the following criteria:

(a) if the person is an investment plan,

(i) the person holds units of the particular investment plan with a total value of less than \$10,000,000 as of September 30 of the preceding calendar year,

(ii) the person has not, on or before December 31 of the preceding calendar year, notified the particular investment plan that it is a qualifying investor in the particular investment plan for the purposes of section 55 on September 30 of the preceding calendar year in accordance with paragraph 55(6)(a), and

(iii) the particular investment plan neither knows nor ought to know that the person is a qualifying investor in the particular investment plan for the purposes of section 55 on September 30 of the preceding calendar year; and

(b) in any other case, as of September 30 of the preceding calendar year,

“specified transaction”  
« opération déterminée »

(i) if the particular investment plan is a stratified investment plan, for each series of the particular investment plan in which the person holds units, the person holds units of the series with a total value of less than \$10,000,000, and

(ii) if the particular investment plan is a non-stratified investment plan, the person holds units of the particular investment plan with a total value of less than \$10,000,000.

“specified transaction” in relation to an attribution point in respect of a non-stratified investment plan, or in respect of a series of a stratified investment plan, for a taxation year of the investment plan, means the acquisition of units of the investment plan or series by a person, or by a group of persons, from the investment plan if

(a) the acquisition by the person, or each acquisition by a member of the group of persons, occurs less than 31 days before the attribution point;

(b) the units are disposed of, within the meaning of subsection 248(1) of the *Income Tax Act*, by the person, or by each member of the group of persons, within 30 days after the attribution point;

(c) in the case of the acquisition of the units by a group of persons, each member of the group is related to every other member of the group;

(d) the total value of the units as of the attribution point is greater than the lesser of

(i) \$10,000,000, and

(ii) 10% of the total value of all of the units of the investment plan or series on the attribution point;

(e) the investment plan’s percentage for any participating province and for the taxation year, or the investment plan’s percentage for the series, for any participating province and for the taxation year, determined without reference to subsections 32(3) and 34(3), is less than the amount that would be that percentage if that percentage were determined without reference to the units; and

(f) the acquisition by the person, or any acquisition by a member of the group of persons, does not meet one or more of the following conditions:

(i) the acquisition was undertaken by the person or member and the investment plan in good faith as part of the normal business practice of the investment plan,

(ii) the person or member and the investment plan deal with each other at arm’s length,

(iii) the acquisition was made for consideration equal to or greater than the value of the units at the time of the acquisition,

(iv) neither the investment plan nor the manager of the investment plan provide any guarantees or indemnities to the person or member with respect to gains or losses in the value of the units during the period beginning on the particular day the acquisition occurred and ending on the day that is 30 days after the particular day, and

(v) any fees charged by the investment plan to the person or member in respect of the units are similar to fees charged by the investment plan to other persons holding units of the investment plan or series.

“total gross revenue” « <i>recettes brutes totales</i> »	“total gross revenue” of a selected listed financial institution for a period means the portion of the gross revenue of the financial institution for the period that is reasonably attributable to the permanent establishments of the financial institution in Canada.
References to individual	(2) For the purposes of sections 23, 24 and 28, a reference to an individual includes a reference to a trust that is not an investment plan.
Rule of interpretation	<b>18.</b> Unless a contrary intention appears, words and expressions used in this Part have the same meanings as in Parts IV and XXVI of the <i>Income Tax Regulations</i> .
Attribution point election — series	<b>19.</b> (1) A stratified investment plan that is a selected listed financial institution may make an election in respect of a series of the investment plan for the purposes of the definition “attribution point” in subsection 17(1), and that election is to be effective from the first day of a fiscal year of the investment plan.
Attribution point election — investment plan	(2) An investment plan (other than a stratified investment plan) that is a selected listed financial institution may make an election in respect of the investment plan for the purposes of the definition “attribution point” in subsection 17(1), and that election is to be effective from the first day of a fiscal year of the investment plan.
Restriction	(3) An election made under subsection (1) in respect of a series of an investment plan is not to become effective if, on the day on which the election is to come into effect, an election under subsection 52(1) in respect of the series is in effect.
Restriction	(4) An election made under subsection (2) in respect of an investment plan is not to become effective if, on the day on which the election is to come into effect, an election under subsection 52(2) in respect of the investment plan is in effect.
Form of election	(5) An election made under subsection (1) or (2) by an investment plan is to <ul style="list-style-type: none"> <li>(a) be made in prescribed form containing prescribed information;</li> <li>(b) set out the first fiscal year of the investment plan during which the election is to be in effect; and</li> <li>(c) specify whether the attribution points in respect of the series or investment plan are to be quarterly, monthly, weekly or daily.</li> </ul>
Cessation	(6) An election made under subsection (1) or (2) by a person that is an investment plan ceases to have effect on the earlier of <ul style="list-style-type: none"> <li>(a) the first day of the fiscal year of the person in which the person ceases to be an investment plan or a selected listed financial institution, and</li> <li>(b) the day on which a revocation of the election becomes effective.</li> </ul>
Revocation	(7) An investment plan that has made an election under subsection (1) or (2) may, in prescribed form containing prescribed information, revoke the election, effective on the first day of a fiscal year of the investment plan that begins at least three years after the election became effective.
Restriction	(8) If a particular election made under subsection (1) or (2) ceases to have effect on a particular day, any subsequent election under subsection (1) or (2) is not a valid election unless the first day of the fiscal year set out in the subsequent election is at least three years after the particular day.



## DETERMINATION OF THE ATTRIBUTION PERCENTAGE

- Basic rules      **20.** (1) For the purposes of these Regulations, the description of C in subsection 225.2(2) of the Act and the description of D in subparagraph 237(5)(b)(ii) of the Act, a financial institution's percentage for any participating province and for a particular period is determined in accordance with this Part.
- Basic rules —  
real-time      (2) For the purposes of these Regulations and the description of A<sub>3</sub> in subsection 225.2(2) of the Act, as adapted by subsection 51(1) or (2), a financial institution's percentage for any participating province as of a particular day, or a financial institution's percentage for any series and for any participating province as of a particular day, as the case may require, is determined in accordance with this Part.
- Basic rules —  
series      (3) For the purposes of these Regulations and the description of A<sub>6</sub> in subsection 225.2(2) of the Act, as adapted by subsection 51(1), a financial institution's percentage for any series, for any participating province and for a particular period is determined in accordance with this Part.
- Member of  
partnership      **21.** For the purposes of this Part, if part of the operations of a selected listed financial institution that is a member of a partnership were conducted in partnership with one or more other persons during a particular period, the following rules apply:
- (a) the financial institution's gross revenue for the particular period is not to include any portion of the total gross revenue of the partnership; and
  - (b) the salaries and wages paid in the particular period by the financial institution is not to include any portion of the salaries and wages paid to employees of the partnership.
- Central  
paymaster      **22.** (1) For the purposes of this Part, if an individual (referred to in this section as the "specified employee") is employed by a person (referred to in this section as the "employer") and performs a service in a particular province for the benefit of or on behalf of a person (referred to in this section as the "labour recipient") that is not the employer, an amount that may reasonably be regarded as equal to the amount of salary or wages (referred to in this section as the "particular salary") earned by the specified employee for the service is deemed to be salary paid by the labour recipient to an employee of the labour recipient in the particular period of the labour recipient in which the particular salary is paid if
- (a) at the time the service is performed,
    - (i) the labour recipient and the employer do not deal at arm's length, and
    - (ii) the labour recipient has a permanent establishment in the particular province;
  - (b) the service
    - (i) is performed by the specified employee in the normal course of the specified employee's employment by the employer,
    - (ii) is performed for the benefit of or on behalf of the labour recipient in the ordinary course of a business carried on by the labour recipient, and
    - (iii) is of a type that could reasonably be expected to be performed by employees of the labour recipient in the ordinary course of the business referred to in subparagraph (ii); and

(c) the amount is not otherwise included in the aggregate, determined for the purposes of this Part, of the salaries and wages paid by the labour recipient.

Deemed payments — permanent establishment

(2) For the purposes of this Part, an amount deemed under subsection (1) to be salary paid by a labour recipient to an employee of the labour recipient for a service performed in a particular province is deemed to have been paid,

(a) if the service was performed at one or more permanent establishments of the labour recipient in the particular province, to an employee of the permanent establishment or establishments; or

(b) if paragraph (a) does not apply, to an employee of any other permanent establishment (as is reasonably determined in the circumstances) of the labour recipient in the particular province.

Particular salaries paid not included

(3) For the determination under this Part of the amount of salaries and wages paid in a particular period by an employer, the total of all amounts each of which is a particular salary paid by the employer in the particular period is to be deducted.

Arm's length transactions

(4) Despite subparagraph (1)(a)(i), this section applies to a labour recipient and an employer that deal at arm's length if the Minister determines that the labour recipient and the employer have entered into an arrangement the purpose of which is to reduce, through the provision of services as described in subsection (1), the net tax for a reporting period of the employer, the net tax for a reporting period of the labour recipient or an amount required to be paid to the Receiver General under section 237 of the Act.

#### RULES FOR INDIVIDUALS

No permanent establishment in participating province

**23.** (1) If, in a particular period, a selected listed financial institution that is an individual does not have a permanent establishment in a participating province, the financial institution's percentage for that province and for the particular period is nil.

Determination of percentage

(2) If, in a particular period, a selected listed financial institution that is an individual has a permanent establishment in a participating province, the financial institution's percentage for that province and for the particular period is 1/2 of the total of

(a) the percentage that its gross revenue for the particular period that is reasonably attributable to its permanent establishments in that province is of its total gross revenue for the particular period, and

(b) the percentage that the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in that province is of the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in Canada.

Special rules for attribution of gross revenue

(3) For the purposes of applying subsection (2) and the definition "total gross revenue" in relation to a financial institution that is an individual, gross revenue for a particular period of the financial institution is reasonably attributable to a particular permanent establishment if that gross revenue would be attributable to that permanent establishment under the rules set out in subsection 2603(4) of the *Income Tax Regulations* if the financial institution were a taxpayer under the *Income Tax Act* and if the references in that subsection to a year and to gross revenue for the year were read as references to the particular period and to the gross revenue for the particular period, respectively.

Fees (4) For the purpose of subsection (2), if a financial institution pays a fee to another person under an agreement under which that other person or employees of that other person perform services for the financial institution that would normally be performed by the financial institution's employees, the fee is deemed to be salary paid by the financial institution and the part of the fee that may reasonably be regarded as payment in respect of services rendered at a permanent establishment of the financial institution is deemed to be salary paid to an employee of the permanent establishment.

Commissions (5) For the purpose of subsection (4), a fee paid by a financial institution does not include a commission paid to a person that is not an employee of the financial institution.

#### GENERAL RULES FOR CORPORATIONS

No permanent establishment in participating province **24.** (1) If, in a particular period, a selected listed financial institution that is a corporation does not have a permanent establishment in a participating province, the financial institution's percentage for that province and for the particular period is nil.

Determination of percentage (2) Subject to this Part, if, in a particular period, a selected listed financial institution that is a corporation has a permanent establishment in a participating province, the financial institution's percentage for that province and for the particular period is

(a) except where paragraph (b) or (c) applies, 1/2 of the total of

(i) the percentage that its gross revenue for the particular period reasonably attributable to its permanent establishments in that province is of its total gross revenue for the particular period, and

(ii) the percentage that the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in that province is of the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in Canada;

(b) if its total gross revenue for the particular period is nil, the percentage that the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in the participating province is of the total of all salaries and wages paid by the financial institution in the particular period to employees of its permanent establishments in Canada; and

(c) if the total of all salaries and wages paid in the particular period by the financial institution to employees of its permanent establishments in Canada is nil, the percentage that its gross revenue for the particular period reasonably attributable to its permanent establishments in that province is of its total gross revenue for the particular period.

Special rules for attribution of gross revenue (3) For the purposes of applying subsection (2) and the definition "total gross revenue" in relation to a financial institution that is not an individual, gross revenue for a particular period of the financial institution is reasonably attributable to a particular permanent establishment if that gross revenue would be attributable to that permanent establishment under the rules set out in subsections 402(4) and (4.1) and 413(1) of the *Income Tax Regulations* if the financial institution were a taxpayer under the *Income Tax Act* and if the references in those subsections to a taxation year and to a year were read as references to the particular period.

Interest on various instruments

(4) For the purpose of subsection (2), gross revenue does not include interest on bonds, debentures or mortgages, dividends on shares of capital stock, or rentals or royalties from property that is not used in connection with the principal business operations of the financial institution.

Fees

(5) For the purpose of subsection (2), if a financial institution pays a fee to another person under an agreement under which that other person or employees of that other person perform services for the financial institution that would normally be performed by the financial institution's employees, the fee is deemed to be salary paid by the financial institution and the part of the fee that may reasonably be regarded as payment in respect of services rendered at a permanent establishment of the financial institution is deemed to be salary paid to an employee of that permanent establishment.

Commissions

(6) For the purpose of subsection (5), a fee paid by a financial institution does not include a commission paid to a person that is not an employee of the financial institution.

#### INSURERS

Definition of "net premiums"

**25.** (1) In this section, "net premiums" of a selected listed financial institution for a particular period means the total of the gross premiums received by the financial institution in the particular period (other than consideration received for annuities) minus the total for the particular period of

- (a) premiums paid by the financial institution for reinsurance,
- (b) dividends or rebates paid or credited by the financial institution to policy-holders, and
- (c) rebates or returned premiums paid by the financial institution in respect of the cancellation of policies.

Determination of percentage

(2) If a selected listed financial institution is an insurer, the financial institution's percentage for a participating province and for a particular period in which it has a permanent establishment in that province is, despite subsections 23(2) and 24(2), the amount, expressed as a percentage, determined by the formula

$$A/B$$

where

- A is the total of its net premiums for the particular period in respect of the insurance of risk in respect of property situated in the province and of its net premiums for the particular period in respect of the insurance of risk in respect of persons resident in that province, that are included in computing its income for the purposes of Part I of the *Income Tax Act*; and
- B is the total of its net premiums for the particular period in respect of the insurance of risk in respect of property situated in Canada and of its net premiums for the particular period in respect of the insurance of risk in respect of persons resident in Canada, that are included in computing its income for the purposes of Part I of the *Income Tax Act*.

Exclusions from net premiums

(3) For the purposes of subsections (1) and (2), no amounts that relate to an insurance policy issued by a selected listed financial institution are to be included in the determination of the net premiums of the financial institution to the extent that

- (a) if the policy is a life or accident and sickness insurance policy (other than a group policy), the policy is issued in respect of an individual who at the time the policy becomes effective, is a non-resident individual;
- (b) if the policy is a group life or accident and sickness insurance policy, the policy relates to non-resident individuals who are insured under the policy;
- (c) if the policy is a policy in respect of real property, the policy relates to real property situated outside Canada; and
- (d) if the policy is a policy of any other kind, the policy relates to risks that are ordinarily situated outside Canada.

#### BANKS

**26.** (1) If a selected listed financial institution is a bank, the financial institution's percentage for a particular period and for a participating province in which the financial institution has a permanent establishment is, despite subsection 24(2), 1/5 of the total of

- (a) the percentage that the total of all salaries and wages paid in the particular period by the financial institution to employees of its permanent establishments in that province is of the total of all salaries and wages paid in the particular period by the financial institution to employees of its permanent establishments in Canada, and
- (b) four times the percentage that the total amount of loans and deposits of its permanent establishments in that province for the particular period is of the total amount of all loans and deposits of its permanent establishments in Canada for the particular period.

(2) For the purpose of subsection (1), the amount of loans for a particular period is the amount determined by the formula

$$A/B$$

where

- A is the total of the amounts outstanding, on the loans made by the selected listed financial institution, at the close of business on the last day of each month that ends in the particular period; and
- B is the number of months that end in the particular period.

(3) For the purpose of subsection (1), the amount of deposits for a particular period is the amount determined by the formula

$$A/B$$

where

- A is the total of the amounts on deposit with the selected listed financial institution at the close of business on the last day of each month that ends in the particular period; and
- B is the number of months that end in the particular period.

(4) For the purposes of subsections (2) and (3), loans and deposits do not include

- (a) bonds, stocks, debentures, items in transit and deposits in favour of Her Majesty in right of Canada; and

(b) any loan made to a non-resident person and any deposit held by a non-resident person, unless the loan or deposit is a debt or financial instrument included in any of paragraphs 1(a) to (e) of Part IX of Schedule VI to the Act.

Exclusion from salaries and wages

(5) For the purposes of subsection (1), salaries and wages paid by a financial institution do not include salary or wages paid to an employee of the financial institution to the extent that the salary or wages are reasonably attributable to the rendering by the employee of services, the supply of which are zero-rated supplies.

#### TRUST AND LOAN CORPORATIONS

Determination of percentage

**27.** (1) If a selected listed financial institution is a trust and loan corporation, a trust corporation or a loan corporation, the financial institution's percentage for a particular period and for a participating province in which the financial institution has a permanent establishment is, despite subsection 24(2), the percentage that the gross revenue for the particular period of its permanent establishments in the participating province is of the total gross revenue for the particular period of its permanent establishments in Canada.

Determination of gross revenue

(2) In subsection (1), the gross revenue for the particular period of its permanent establishments in the participating province is the total of the gross revenue of the selected listed financial institution for the particular period arising from

- (a) loans secured by land situated in the participating province;
- (b) loans, not secured by land, made to persons residing in the participating province;
- (c) loans, other than loans secured by land situated in a country other than Canada in which the financial institution has a permanent establishment,
  - (i) made to persons residing in a country other than Canada in which the financial institution does not have a permanent establishment, and
  - (ii) administered by a permanent establishment in the participating province; and
- (d) business conducted at its permanent establishments in the participating province, other than business that gives rise to revenue in respect of loans.

#### QUALIFYING PARTNERSHIPS

Determination of percentage

**28.** If a selected listed financial institution is a qualifying partnership, the financial institution's percentage for a participating province for a particular period is

- (a) if all the members of the qualifying partnership are individuals, the percentage that would be determined under section 23 for the participating province for the particular period if the qualifying partnership were an individual; and
- (b) in any other case, the percentage that would be determined under section 24 for the participating province for the particular period if the qualifying partnership were a corporation.

#### INVESTMENT PLANS

##### *General Rules*

Priority

**29.** Sections 30 to 40 apply despite sections 23, 24 and 28.

**30.** For the purposes of determining an investment plan's percentage for a particular series and for a participating province under section 31 or 32 or determining a particular investment plan's percentage for a participating province under section 33 or 34 (in this section, the particular series or particular investment plan, as the case may be, is referred to as the "investee"), the investor percentage for a participating province of a particular person that holds units of the investee is, as of a particular day,

(a) if the particular person is a selected listed financial institution and a non-stratified investment plan, the percentage that would be the particular person's percentage for the participating province as of the particular day if an election under section 52 in respect of the particular person were in effect throughout the fiscal year of the particular person that includes the particular day;

(b) if the particular person is a selected listed financial institution and a stratified investment plan, the percentage that is the total of all amounts, each of which is determined for a particular series of the particular person by the formula

$$A \times (B/C)$$

where

A is the percentage that would be the particular person's percentage for the particular series and the participating province as of the particular day if an election under section 52 in respect of the particular series were in effect throughout the fiscal year of the particular person that includes the particular day,

B is the total value on the particular day of the units of the investee held by the particular person that are reasonably attributable to the particular series of the particular person, and

C is the total value on the particular day of all of the units of the investee held by the particular person;

(c) if the particular person is a selected listed financial institution not described in paragraph (a) or (b), the amount determined for C in subsection 225.2(2) of the Act for the taxation year of the particular person in which the fiscal year that includes the following reporting period of the particular person ends:

(i) if the person was previously required to file a return under Division V of Part IX of the Act, the reporting period for which such a return is the last such return that was required to be filed by the particular person on or before the particular day, and

(ii) in any other case, the reporting period for which a return would have been required to be filed under Division V of Part IX of the Act by the particular person, that would be the last such return that was required to be so filed by the particular person on or before the particular day, if the particular person were a registrant at all times;

(d) if the particular person is a qualifying small investment plan for the purposes of Part 1 and is not a selected listed financial institution, the amount that would, if the particular person were a selected listed financial institution, be determined for C in subsection 225.2(2) of the Act for the taxation year of the particular person in which the fiscal year that includes the following reporting period of the particular person ends:

- (i) if the person was previously required to file a return under Division V of Part IX of the Act, the reporting period for which such a return is the last such return that was required to be filed by the particular person on or before the particular day, and
  - (ii) in any other case, the reporting period for which a return would have been required to be filed under Division V of Part IX of the Act by the particular person, that would be the last such return that was required to be so filed by the particular person on or before the particular day, if the particular person were a registrant at all times; and
- (e) in any other case, the percentage determined by the formula

$$A/B$$

where

- A is the particular person's taxable income earned in the participating province, as determined for the purposes of the *Income Tax Act* pursuant to the rules prescribed in Parts IV and XXVI of the *Income Tax Regulations*, in the particular taxation year that is
- (i) if the person was previously required to file a return under that Act, the last taxation year of the person for which a return is required to be filed under that Act on or before the particular day, and
  - (ii) in any other case, the last taxation year of the person ending on or before the particular day, and
- B is particular person's total taxable income for the purposes of the *Income Tax Act* for the particular taxation year.

#### *Stratified Investment Plans*

Percentage —  
real time

**31.** (1) If a selected listed financial institution is a stratified investment plan and an election under section 52 is in effect in respect of a series of the financial institution throughout a particular fiscal year of the financial institution, the financial institution's percentage for the series and for a participating province as of a particular day in the particular fiscal year is

- (a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the particular fiscal year, the percentage determined by the formula

$$[(A + B)/C] + [D \times ((A + B)/E)] + [(1 - D) - (E/C)]$$

where

- A is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows is resident in the selected province on that day,
- B is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution



knows the person's investor percentage for each participating province as of that day multiplied by the person's investor percentage for the selected province as of that day,

- C is the total value, on the particular day, of the units of the series other than units held on that day by an individual, or a specified investor in the financial institution, that the financial institution knows is not resident in Canada on that day,
- D is the lesser of 0.1 and the amount determined by the formula

$$D_1/D_2$$

where

D<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person in respect of which the financial institution

(i) does not know any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the "missing information"), and

(ii) requests, on or before October 15 of the fiscal year that precedes the particular fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

D<sub>2</sub> is the amount determined for C, and

E is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on that day and in respect of which the financial institution knows the province in which the person is resident on that day, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person's investor percentage for each participating province as of that day;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the taxation year in which the particular fiscal year ends, the percentage determined by the formula

$$[(A + B)/C] + [D \times ((A + B)/E)]$$

where

A is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows is resident in the participating province on that day,

B is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person's investor percentage for each participating province as of that day

multiplied by the person's investor percentage for the participating province as of that day,

- C is the total value, on the particular day, of the units of the series other than units held on that day by an individual, or a specified investor in the financial institution, that the financial institution knows is not resident in Canada on that day,
- D is the lesser of 0.1 and the amount determined by the formula

$$D_1/D_2$$

where

$D_1$  is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person in respect of which the financial institution

(i) does not know any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the "missing information"), and

(ii) requests, on or before October 15 of the fiscal year that precedes the particular fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

$D_2$  is the amount determined for C, and

E is the total of all amounts, each of which is the total value of the units of the series held, on the particular day, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on that day and in respect of which the financial institution knows the province in which the person is resident on that day, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person's investor percentage for each participating province as of that day; and

(c) in the case of any other participating province, nil.

Attribution of  
unit holders to a  
participating  
province

(2) For the purposes of subsection (1), if, for a series of a stratified investment plan and any particular day in a fiscal year of the investment plan, the total of all amounts, each of which is the total value of the particular units of the series held on that day either by a person that is an individual or a specified investor in the investment plan and in respect of which the investment plan knows whether or not the person is resident in Canada on that day and, in the case of individuals and specified investors resident in Canada, the province in which the person is resident on that day or by a person that is neither an individual nor a specified investor in the investment plan and in respect of which the investment plan knows the person's investor percentage for each participating province as of that day, is less than 50% of the total value of the units of the series on that day, the following rules apply:

(a) the units of the series, other than the particular units, are deemed to be held on that day by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on that day in Canada and in the selected province referred to in subsection (1) for the series and for that day; and

(c) the investment plan is deemed to know that the particular individual is resident in Canada and in the selected province.

Percentage —  
exception

(3) Despite subsection (1), if a selected listed financial institution is a stratified investment plan, an election under section 52 is in effect in respect of a series of the financial institution throughout a particular fiscal year of the financial institution and, on a particular day in the particular fiscal year, more than 10% of the total value of the units of the series is held by persons other than individuals and specified investors in the investment plan,

(a) if the first day in the particular fiscal year on which more than 10% of the total value of the units of the series is held by persons other than individuals and specified investors in the investment plan is on or before the first day in the particular fiscal year as of which the financial institution's percentage for the series and for a participating province is required to be determined under subsection 225.2(2) of the Act, the financial institution's percentage for the series and for a participating province as of every day in the particular fiscal year is

(i) if no election under section 52 is in effect in respect of the series throughout the fiscal year (referred to in this paragraph as the "preceding fiscal year") of the investment plan preceding the particular fiscal year, the financial institution's percentage for the series and for the participating province for the preceding fiscal year, and

(ii) in any other case, the total of all amounts, each of which is the financial institution's percentage for the series and for the participating province as of a day in the preceding fiscal year for which that percentage is required to be determined under subsection 225.2(2) of the Act, divided by the number of those days in the preceding fiscal year; and

(b) in any other case, the financial institution's percentage for the series and for a participating province as of the particular day and every following day in the particular fiscal year is the amount determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is the financial institution's percentage for the series and for the participating province as of a day (each of which is referred to in this paragraph as an "attribution day") in the particular fiscal year

(i) that precedes the first day in the particular fiscal year on which more than 10% of the value of the units of the series is held by persons other than individuals and specified investors in the investment plan, and

(ii) for which that percentage is required to be determined under subsection 225.2(2) of the Act, and

B is the number of attribution days in the particular fiscal year.

Percentage —  
particular period

**32.** (1) If a selected listed financial institution is a stratified investment plan, no election under section 52 is in effect in respect of a series of the financial institution throughout a fiscal year of the financial institution that ends in a particular period and the series is not an exchange-traded series, the financial institution's percentage for the series, for a participating province and for the particular period is

(a) in the case of any one participating province (in this section referred to as the “selected province”) having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the series for the particular period by the formula

$$[(A_1 + A_2)/A_3] + [A_4 \times ((A_1 + A_2)/A_3)] + [(1 - A_4) - (A_3/A_3)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,

A<sub>2</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person’s investor percentage for each participating province as of the attribution point multiplied by the person’s investor percentage for the selected province as of the attribution point,

A<sub>3</sub> is the total value, on the attribution point, of the units of the series other than units held, on the attribution point, by an individual, or a specified investor in the financial institution, that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

A<sub>4</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person in respect of which the financial institution

(i) does not know, on December 31 of the fiscal year, any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the “missing information”), and

(ii) requests, on or before October 15 of the fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

D is the amount determined for A<sub>3</sub>, and

A<sub>5</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on the attribution point and in respect of which the financial institution knows the province in which the person is resident on the attribution point, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point, and

**B** is the number of attribution points in respect of the series for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

**A** is the total of all amounts, each of which is determined for an attribution point in respect of the series for the particular period by the formula

$$[(A_1 + A_2)/A_3] + [A_4 \times ((A_1 + A_2)/A_5)]$$

where

**A<sub>1</sub>** is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

**A<sub>2</sub>** is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point multiplied by the person's investor percentage for the participating province as of the attribution point,

**A<sub>3</sub>** is the total value, on the attribution point, of the units of the series other than units held, on the attribution point, by an individual, or a specified investor in the financial institution, that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

**A<sub>4</sub>** is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

**C** is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person in respect of which the financial institution

(i) does not know, on December 31 of the fiscal year, any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the “missing information”), and

(ii) requests, on or before October 15 of the fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

D is the amount determined for A<sub>3</sub>, and

A<sub>5</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on the attribution point and in respect of which the financial institution knows the province in which the person is resident on the attribution point, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person’s investor percentage for each participating province as of the attribution point, and

B is the number of attribution points in respect of the series for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of unit holders to a participating province

(2) For the purposes of subsection (1), if, for any attribution point in respect of a series of an investment plan for a particular period in which a fiscal year of the investment plan ends, the total of all amounts, each of which is the total value of the particular units of the series held on the attribution point either by a person that is an individual or a specified investor in the investment plan and in respect of which the investment plan knows, on December 31 of the fiscal year, whether or not the person is resident in Canada on the attribution point and, in the case of individuals and specified investors resident in Canada, the province in which the person is resident on the attribution point or by a person that is neither an individual nor a specified investor in the investment plan and in respect of which the investment plan knows, on December 31 of the fiscal year, the person’s investor percentage for each participating province as of the attribution point, is less than 50% of the total value of the units of the series on the attribution point, the following rules apply:

(a) the units of the series, other than the particular units, are deemed to be held on the attribution point by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the series and for the particular period; and

(c) the investment plan is deemed to know on December 31 of the fiscal year that the particular individual is resident on the attribution point in Canada and in the selected province.

Specified transactions

(3) For the purposes of subsection (1), if no election under section 19 is in effect in respect of a series of an investment plan throughout a fiscal year of the investment plan and a speci-

fied transaction occurs that is in relation to an attribution point in respect of the series for a particular period in which the fiscal year ends, the following rules apply:

- (a) the units of the series acquired in the specified transaction are deemed to be held on the attribution point by a particular individual and not by any other person;
- (b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the series and for the particular period; and
- (c) the financial institution is deemed to know on December 31 of the fiscal year that the particular individual is resident in Canada and in the selected province on the attribution point.

*Non-Stratified Investment Plans*

Percentage —  
real time

**33.** (1) If a selected listed financial institution is a non-stratified investment plan, other than an exchange-traded fund, in respect of which an election under section 52 is in effect throughout a particular fiscal year of the financial institution, the financial institution’s percentage for a participating province as of a particular day in the particular fiscal year is

- (a) in the case of any one participating province (in this section referred to as the “selected province”) having the highest tax rate on the first day of the particular fiscal year, the percentage determined by the formula

$$[(A + B)/C] + [D \times ((A + B)/E)] + [(1 - D) - (E/C)]$$

where

- A is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows is resident in the selected province on that day,
- B is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person’s investor percentage for each participating province as of that day multiplied by the person’s investor percentage for the selected province as of that day,
- C is the total value, on the particular day, of the units of the financial institution other than units held on that day by an individual, or a specified investor in the financial institution, that the financial institution knows is not resident in Canada on that day,
- D is the lesser of 0.1 and the amount determined by the formula

$$D_1/D_2$$

where

- D<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person in respect of which the financial institution

(i) does not know any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the “missing information”), and

(ii) requests, on or before October 15 of the fiscal year that precedes the particular fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

$D_2$  is the amount determined for C, and

E is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on that day and in respect of which the financial institution knows the province in which the person is resident on that day, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person’s investor percentage for each participating province as of that day;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the taxation year in which the particular fiscal year ends, the percentage determined by the formula

$$[(A + B)/C] + [D \times ((A + B)/E)]$$

where

A is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows is resident in the participating province on that day,

B is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person’s investor percentage for each participating province as of that day multiplied by the person’s investor percentage for the participating province as of that day,

C is the total value, on the particular day, of the units of the financial institution other than units held on that day by an individual, or a specified investor in the financial institution, that the financial institution knows is not resident in Canada on that day,

D is the lesser of 0.1 and the amount determined by the formula

$$D_1/D_2$$

where

$D_1$  is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person in respect of which the financial institution



(i) does not know any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the “missing information”), and

(ii) requests, on or before October 15 of the fiscal year that precedes the particular fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

$D_2$  is the amount determined for C, and

E is the total of all amounts, each of which is the total value of the units of the financial institution held, on the particular day, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on that day and in respect of which the financial institution knows the province in which the person is resident on that day, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows the person’s investor percentage for each participating province as of that day; and

(c) in the case of any other participating province, nil.

Attribution of  
unit holders to a  
participating  
province

(2) For the purposes of subsection (1), if, for any particular day in a fiscal year of an investment plan, the total of all amounts, each of which is the total value of the particular units of the investment plan held on that day either by a person that is an individual or a specified investor in the investment plan and in respect of which the investment plan knows whether or not the person is resident in Canada on that day and, in the case of individuals and specified investors resident in Canada, the province in which the person is resident on that day or by a person that is neither an individual nor a specified investor in the investment plan and in respect of which the investment plan knows the person’s investor percentage for each participating province as of that day, is less than 50% of the total value of the units of the investment plan on that day, the following rules apply:

(a) the units of the investment plan, other than the particular units, are deemed to be held on that day by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on that day in Canada and in the selected province referred to in subsection (1) for that day; and

(c) the investment plan is deemed to know that the particular individual is resident in Canada and in the selected province.

Percentage —  
exception

(3) Despite subsection (1), if a selected listed financial institution is a non-stratified investment plan other than an exchange-traded fund, an election under section 52 is in effect in respect of the financial institution throughout a particular fiscal year of the financial institution and, on a particular day in the particular fiscal year, more than 10% of the total value of the units of the financial institution is held by persons other than individuals and specified investors in the investment plan,

(a) if the first day in the particular fiscal year on which more than 10% of the total value of the units of the financial institution is held by persons other than individuals and specified investors in the investment plan is on or before the first day in the particular fiscal

year as of which the financial institution's percentage for a participating province is required to be determined under subsection 225.2(2) of the Act, the financial institution's percentage for a participating province as of every day in the particular fiscal year is

(i) if no election under section 52 is in effect in respect of the investment plan throughout the fiscal year (referred to in this paragraph as the "preceding fiscal year") of the investment plan preceding the particular fiscal year, the financial institution's percentage for the participating province and for the preceding fiscal year, and

(ii) in any other case, the total of all amounts, each of which is the financial institution's percentage for the participating province as of a day in the preceding fiscal year for which that percentage is required to be determined under subsection 225.2(2) of the Act, divided by the number of those days in the preceding fiscal year; and

(b) in any other case, the financial institution's percentage for a participating province as of the particular day and every following day in the particular fiscal year is the amount determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is the financial institution's percentage for the participating province as of a day (each of which is referred to in this paragraph as an "attribution day") in the particular fiscal year

(i) that precedes the first day in the particular fiscal year on which more than 10% of the value of the units of the financial institution is held by persons other than individuals and specified investors in the investment plan, and

(ii) for which that percentage is required to be determined under subsection 225.2(2) of the Act, and

B is the number of attribution days in the particular fiscal year.

Percentage —  
particular period

**34.** (1) If a selected listed financial institution is a non-stratified investment plan, other than an exchange-traded fund, and no election under section 52 is in effect in respect of the financial institution throughout a fiscal year of the financial institution that ends in a particular period, the financial institution's percentage for a participating province and for the particular period is

(a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$[(A_1 + A_2)/A_3] + [A_4 \times ((A_1 + A_2)/A_3)] + [(1 - A_4) - (A_3/A_3)]$$

where

- A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,
- A<sub>2</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point multiplied by the person's investor percentage for the selected province as of the attribution point,
- A<sub>3</sub> is the total value, on the attribution point, of the units of the financial institution other than units held, on the attribution point, by an individual, or a specified investor in the financial institution, that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,
- A<sub>4</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

- C is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person in respect of which the financial institution
- (i) does not know, on December 31 of the fiscal year, any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the "missing information"), and
  - (ii) requests, on or before October 15 of the fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and
- D is the amount determined for A<sub>3</sub>, and
- A<sub>5</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person
- (i) that is an individual, or a specified investor in the financial institution, resident in Canada on the attribution point and in respect of which the financial institution knows the province in which the person is resident on the attribution point, or
  - (ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$[(A_1 + A_2)/A_3] + [A_4 \times ((A_1 + A_2)/A_5)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that is an individual or a specified investor in the financial institution and that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

A<sub>2</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point multiplied by the person's investor percentage for the participating province as of the attribution point,

A<sub>3</sub> is the total value, on the attribution point, of the units of the financial institution other than units held, on the attribution point, by an individual, or a specified investor in the financial institution, that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

A<sub>4</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person in respect of which the financial institution

(i) does not know, on December 31 of the fiscal year, any part of the information in respect of those units that is described in whichever of subsections 55(3) to (5) is applicable in respect of those units (which part is referred to in this description as the "missing information"), and

(ii) requests, on or before October 15 of the fiscal year, the missing information pursuant to the applicable subsection referred to in subparagraph (i), and

D is the amount determined for A<sub>3</sub>, and

A<sub>5</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person

(i) that is an individual, or a specified investor in the financial institution, resident in Canada on the attribution point and in respect of which the financial institution knows the province in which the person is resident on the attribution point, or

(ii) that is neither an individual nor a specified investor in the financial institution and in respect of which the financial institution knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of  
unit holders to a  
participating  
province

(2) For the purposes of subsection (1), if, for any attribution point in respect of an investment plan for a particular period in which a fiscal year of the investment plan ends, the total of all amounts, each of which is the total value of the particular units of the investment plan held on the attribution point either by a person that is an individual or a specified investor in the investment plan and in respect of which the investment plan knows, on December 31 of the fiscal year, whether or not the person is resident in Canada on the attribution point and, in the case of individuals and specified investors resident in Canada, the province in which the person is resident on the attribution point or by a person that is neither an individual nor a specified investor in the investment plan and in respect of which the investment plan knows, on December 31 of the fiscal year, the person's investor percentage for each participating province as of the attribution point, is less than 50% of the total value of the units of the investment plan on the attribution point, the following rules apply:

(a) the units of the investment plan, other than the particular units, are deemed to be held on the attribution point by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and

(c) the investment plan is deemed to know on December 31 of the fiscal year that the particular individual is resident on the attribution point in Canada and in the selected province.

Specified  
transactions

(3) For the purposes of subsection (1), if no election under section 19 is in effect in respect of an investment plan throughout a fiscal year of the investment plan and a specified transaction occurs that is in relation to an attribution point in respect of the investment plan for a particular period in which the fiscal year ends, the following rules apply:

(a) the units of the investment plan acquired in the specified transaction are deemed to be held on the attribution point by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and

(c) the financial institution is deemed to know on December 31 of the fiscal year that the particular individual is resident in Canada and in the selected province on the attribution point.

*Exchange-traded Funds*

Percentage —  
stratified  
exchange-traded  
funds

**35.** (1) If a selected listed financial institution is a stratified investment plan and an exchange-traded fund in a particular period in which a fiscal year of the financial institution ends, the financial institution's percentage for an exchange-traded series of the financial institution, for a participating province and for the particular period is

(a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the series for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)] + [(1 - A_3) - (A_4/A_2)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,

A<sub>2</sub> is the total value of the units of the series other than units held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the person is resident in Canada on the attribution point, or

(ii) knows that the person is resident in Canada on the attribution point but does not know the province in which the person is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the

fiscal year, the province in which the person is resident on the attribution point,  
and

B is the number of attribution points in respect of the series for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the series for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

A<sub>2</sub> is the total value of the units of the series other than units held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the person is resident in Canada on the attribution point, or

(ii) knows that the person is resident in Canada on the attribution point but does not know the province in which the person is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total of all amounts, each of which is the total value of the units of the series held, on the attribution point, by a person resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the person is resident on the attribution point, and

B is the number of attribution points in respect of the series for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of unit holders to a participating province

(2) For the purposes of subsection (1), if, for any attribution point in respect of a series of an investment plan for a particular period in which a fiscal year of the investment plan ends, the total of all amounts, each of which is the total value of the particular units of the series held on the attribution point by a person in respect of which the investment plan knows, on December 31 of the fiscal year, whether or not the person is resident in Canada on the attribution point and, in the case of persons resident in Canada, the province in which the person is resident on the attribution point, is less than 50% of the total value of the units of the series on the attribution point, the following rules apply:

- (a) the units of the series, other than the particular units, are deemed to be held on the attribution point by a particular individual and not by any other person;
- (b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the series and for the particular period; and
- (c) the investment plan is deemed to know on December 31 of the fiscal year that the particular individual is resident on the attribution point in Canada and in the selected province.

Percentage — non-stratified exchange-traded funds

**36.** (1) If a selected listed financial institution is a non-stratified investment plan and an exchange-traded fund in a particular period in which a fiscal year of the financial institution ends, the financial institution's percentage for a participating province and for the particular period is

- (a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)] + [(1 - A_3) - (A_4/A_2)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,

A<sub>2</sub> is the total value of the units of the financial institution other than units held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where



C is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the person is resident in Canada on the attribution point, or

(ii) knows that the person is resident in Canada on the attribution point but does not know the province in which the person is resident on the attribution point, and

D is the amount determined for  $A_2$ , and

$A_4$  is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the person is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)]$$

where

$A_1$  is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

$A_2$  is the total value of the units of the financial institution other than units held, on the attribution point, by a person that the financial institution knows, on December 31 of the fiscal year, is not resident in Canada on the attribution point,

$A_3$  is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the person is resident in Canada on the attribution point, or

(ii) knows that the person is resident in Canada on the attribution point but does not know the province in which the person is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total of all amounts, each of which is the total value of the units of the financial institution held, on the attribution point, by a person resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the person is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of unit holders to a participating province

(2) For the purposes of subsection (1), if, for any attribution point in respect of an investment plan for a particular period in which a fiscal year of the investment plan ends, the total of all amounts, each of which is the total value of the particular units of the investment plan held on the attribution point by a person in respect of which the investment plan knows, on December 31 of the fiscal year, whether or not the person is resident in Canada on the attribution point and, in the case of persons resident in Canada, the province in which the person is resident on the attribution point, is less than 50% of the total value of the units of the investment plan on the attribution point, the following rules apply:

(a) the units of the investment plan, other than the particular units, are deemed to be held on the attribution point by a particular individual and not by any other person;

(b) the particular individual is deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and

(c) the investment plan is deemed to know on December 31 of the fiscal year that the particular individual is resident on the attribution point in Canada and in the selected province.

#### *Pension Plans and Private Investment Plans*

Percentage — defined contribution plans, profit sharing plans and retirement compensation arrangements

**37.** (1) Subject to section 40, if a selected listed financial institution is a pension entity of a particular defined contribution pension plan, or a private investment plan that is a trust governed by a particular deferred profit sharing plan, a particular employees profit sharing plan or a particular retirement compensation arrangement, in a particular period in which a fiscal year of the financial institution ends, the financial institution's percentage for a participating province and for the particular period is

(a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)] + [(1 - A_3) - (A_4/A_2)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,

A<sub>2</sub> is the total value, on the attribution point, of the assets of the particular plan or arrangement other than the assets that are reasonably attributable to plan members of the financial institution that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

A<sub>2</sub> is the total value, on the attribution point, of the assets of the particular plan or arrangement other than the assets that are reasonably attributable to plan members of the financial institution that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for A<sub>3</sub>, and

A<sub>4</sub> is the total of all amounts, each of which is the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member of the financial institution resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of  
plan members to  
a participating  
province

(2) For the purposes of subsection (1), if a selected listed financial institution is a pension entity of a particular pension plan or is a private investment plan that is a trust governed by a particular deferred profit sharing plan, a particular employees profit sharing plan or a particular retirement compensation arrangement and if, for any attribution point in respect of the financial institution for a particular period in which a fiscal year of the financial institution ends, the total of all amounts, each of which is the total value, on the attribution

point, of the assets of the particular plan or arrangement that are reasonably attributable to a plan member (in this subsection referred to as a “known member”) of the financial institution in respect of which the financial institution knows, on December 31 of the fiscal year, whether or not the plan member is resident in Canada on the attribution point and, in the case of plan members resident in Canada, the province in which the plan member is resident on the attribution point, is less than 50% of the total value, on the attribution point, of the assets of the particular plan or arrangement that are reasonably attributable to plan members of the financial institution resident in Canada, the following rules apply:

- (a) the total value on the attribution point of the assets of the particular plan or arrangement, other than the assets of the particular plan or arrangement that are reasonably attributable to the known members, is deemed to be attributable to a particular person and not to any other person;
- (b) the particular person is deemed to be a plan member of the financial institution and to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and
- (c) the financial institution is deemed to know on December 31 of the fiscal year that the particular person is resident on the attribution point in Canada and in the selected province.

Percentage —  
defined benefits  
plans

**38.** (1) Subject to section 40, if a selected listed financial institution is a pension entity of a defined benefits pension plan in a particular period in which a fiscal year of the financial institution ends, the financial institution’s percentage for a participating province and for the particular period is

- (a) in the case of any one participating province (in this section referred to as the “selected province”) having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)] + [(1 - A_3) - (A_4/A_2)]$$

where

A<sub>1</sub> is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution that the financial institution knows, on December 31 of the fiscal year, is resident in the selected province on the attribution point,

A<sub>2</sub> is the total value, on the attribution point, of the actuarial liabilities of the pension plan other than actuarial liabilities that are reasonably attributable to plan members of the financial institution that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for  $A_2$ , and

$A_4$  is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)]$$

where

$A_1$  is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution that the financial institution knows, on December 31 of the fiscal year, is resident in the participating province on the attribution point,

$A_2$  is the total value, on the attribution point, of the actuarial liabilities of the pension plan other than actuarial liabilities that are reasonably attributable to plan members of the financial institution that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

$A_3$  is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution in respect of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for  $A_2$ , and

$A_4$  is the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member of the financial institution resident in Canada on the attribution point in respect of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of  
plan members to  
a participating  
province

(2) For the purposes of subsection (1), if, for any attribution point in respect of a pension entity of a pension plan for a particular period in which a fiscal year of the pension entity ends, the total of all amounts, each of which is the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to a plan member (in this subsection referred to as a “known member”) of the pension entity in respect of which the pension entity knows, on December 31 of the fiscal year, whether or not the plan member is resident in Canada on the attribution point and, in the case of plan members resident in Canada, the province in which the plan member is resident on the attribution point, is less than 50% of the total value, on the attribution point, of the actuarial liabilities of the pension plan that are reasonably attributable to plan members of the pension entity resident in Canada, the following rules apply:

(a) the total value on the attribution point of the actuarial liabilities of the pension plan, other than the actuarial liabilities of the pension plan that are reasonably attributable to the known members, is deemed to be attributable to a particular person and not to any other person;

(b) the particular person is deemed to be a plan member of the pension entity and to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and

(c) the pension entity is deemed to know on December 31 of the fiscal year that the particular person is resident in Canada and in the selected province.

Percentage —  
employee benefit  
plans

**39.** (1) If a selected listed financial institution is a private investment plan that is an employee life and health trust or a trust governed by an employee benefit plan, an employee trust or a registered supplementary unemployment benefit plan in a particular period in which

a fiscal year of the financial institution ends, the financial institution's percentage for a participating province and for the particular period is

(a) in the case of any one participating province (in this section referred to as the "selected province") having the highest tax rate on the first day of the fiscal year, the percentage determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)] + [(1 - A_3) - (A_4/A_2)]$$

where

A<sub>1</sub> is the total number of plan members of the investment plan that the financial institution knows, on December 31 of the fiscal year, are resident in the selected province on the attribution point,

A<sub>2</sub> is the total number of plan members of the investment plan other than plan members of the investment plan that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total number of plan members of the investment plan in respect of each of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total number of plan members of the investment plan resident in Canada on the attribution point in respect of each of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period;

(b) in the case of a participating province (other than the selected province) in which the financial institution has a permanent establishment in the particular period, the percentage determined by the formula

$$A/B$$

where



A is the total of all amounts, each of which is determined for an attribution point in respect of the financial institution for the particular period by the formula

$$(A_1/A_2) + [A_3 \times (A_1/A_4)]$$

where

A<sub>1</sub> is the total number of plan members of the investment plan that the financial institution knows, on December 31 of the fiscal year, are resident in the participating province on the attribution point,

A<sub>2</sub> is the total number of plan members of the investment plan other than plan members of the investment plan that the financial institution knows, on December 31 of the fiscal year, are not resident in Canada on the attribution point,

A<sub>3</sub> is the lesser of 0.1 and the amount determined by the formula

$$C/D$$

where

C is the total number of plan members of the investment plan in respect of each of which the financial institution, on December 31 of the fiscal year,

(i) does not know whether or not the plan member is resident in Canada on the attribution point, or

(ii) knows that the plan member is resident in Canada on the attribution point but does not know the province in which the plan member is resident on the attribution point, and

D is the amount determined for A<sub>2</sub>, and

A<sub>4</sub> is the total number of plan members of the investment plan resident in Canada on the attribution point in respect of each of which the financial institution knows, on December 31 of the fiscal year, the province in which the plan member is resident on the attribution point, and

B is the number of attribution points in respect of the financial institution for the particular period; and

(c) in the case of any other participating province, nil.

Attribution of  
plan members to  
a participating  
province

(2) For the purposes of subsection (1), if, for any attribution point in respect of an investment plan for a particular period in which a fiscal year of the investment plan ends, the total number of plan members (in this subsection referred to as the “known members”) of the investment plan in respect of each of which the investment plan knows, on December 31 of the fiscal year, whether or not the plan member is resident in Canada on the attribution point and, in the case of plan members resident in Canada, the province in which the plan member is resident on the attribution point is less than 50% of the total number of plan members of the investment plan resident in Canada on the attribution point, the following rules apply:

(a) the plan members of the investment plan, other than the known members, are deemed to be resident on the attribution point in Canada and in the selected province referred to in subsection (1) for the particular period; and

(b) the investment plan is deemed to know on December 31 of the fiscal year that the plan members of the investment plan, other than the known members, are resident on the attribution point in Canada and in the selected province.

Percentage —  
mixed pension  
plans

**40.** If a selected listed financial institution is a pension entity of a pension plan, part of which is a defined contribution pension plan and the remaining part of which is a defined benefits pension plan, in a particular period in which a fiscal year of the financial institution ends, the financial institution's percentage for a participating province and for the particular period is the amount determined by the formula

$$[A \times (B/C)] + [D \times (C - B)/C]$$

where

- A is the financial institution's percentage determined for the participating province and for the particular period by applying section 37 to the part of the pension plan that is the defined contribution pension plan;
- B is the value of the assets of the defined contribution pension plan held by pension entities of the pension plan on a particular attribution point in respect of the financial institution for the particular period that is the last such attribution point required to be used in the determination of the percentage referred to in the description of A, or such other amount that the Minister may allow on application by the investment plan;
- C is the total value of the assets of the pension plan held by pension entities of the pension plan on the particular attribution point, or such other amount that the Minister may allow on application by the investment plan; and
- D is the financial institution's percentage determined for the participating province and for the particular period by applying section 38 to the part of the pension plan that is the defined benefits pension plan.

#### DIVIDED BUSINESSES

Agreement with  
the Minister —  
weighted  
average

**41.** If one or more parts of the business of a particular selected listed financial institution, other than a financial institution described in any of sections 25 to 27, for a particular period consist of operations normally conducted by any of the types of financial institutions referred to in any of sections 25 to 27 and 31 to 40, the particular financial institution and the Minister may agree that the particular financial institution's percentage for a participating province and for the particular period is the weighted average of the percentages determined

(a) by applying to each of those parts of the business whichever of those sections refers to the type of financial institution that normally conducts the operations comprising that part of the business; and

(b) by applying section 24 to the remainder of the business that does not consist of operations normally conducted by any of the types of financial institutions referred to in those sections.

### PART 3

#### PRESCRIBED AMOUNTS OF TAX

Amounts not included in net tax adjustment formula

**42.** For the purposes of paragraph (a) of the description of A and paragraph (a) of the description of F in subsection 225.2(2) of the Act, the following amounts are prescribed amounts of tax:

(a) any amount of tax that became payable by an insurer, or that was paid by the insurer without having become payable, in respect of property or services acquired, imported or brought into a participating province exclusively and directly for consumption, use or supply in the course of investigating, settling or defending a claim arising under an insurance policy that is not in the nature of accident and sickness insurance or life insurance;

(b) any amount of tax that became payable by a selected listed financial institution, or that was paid by the financial institution without having become payable, in respect of a supply or importation of property referred to in subsection 259.1(2) of the Act; and

(c) any amount of tax that became payable by a stratified investment plan, or that was paid by a stratified investment plan without having become payable, in respect of property or a service, to the extent that the property or service was acquired, imported or brought into a participating province for consumption, use or supply in the course of the activities relating to a provincial series of the stratified investment plan.

Section 220.04 of Act

**43.** For the purposes of section 220.04 of the Act, a prescribed amount of tax is any amount of tax that

(a) is prescribed for the purposes of paragraph (a) of the description of F in subsection 225.2(2) of the Act; or

(b) is in respect of property or a service brought into a participating province or acquired, otherwise than for consumption, use or supply in the course of an endeavour, as defined in subsection 141.01(1) of the Act, of the person referred to in section 220.04 of the Act.

Prescribed transitional amounts

**44.** For the purposes of paragraph 169(3)(c) of the Act, a prescribed amount is an amount of tax that became payable under subsection 165(2) or section 212.1 of the Act during a reporting period that ends before July 1, 2010 as a consequence of the application of Part 3 of the *New Harmonized Value-added Tax System Regulations* or Divisions 2 and 3 of Part 9 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

### PART 4

#### PRESCRIBED AMOUNTS

Definitions

**45.** (1) The following definitions apply in this section, section 46 and paragraph 49(d).

“eligible roadway”  
« voie admissible »

“eligible roadway” has the same meaning as in section 26 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

“excluded property or service”  
« bien ou service exclu »

“excluded property or service” means property or a service that is

(a) specified energy that is acquired or imported for consumption or use exclusively in the heating of asphalt to be used directly in the construction or maintenance of an eligible roadway;

(b) property or a service described in any of paragraphs (e) to (g) of the definition “specified property or service” that is acquired or imported by the organizer or sponsor of a convention for consumption or use exclusively at the convention;

(c) a 1-800, 1-866, 1-877 or 1-888 telephone service or a similar toll-free telephone service or a service described in paragraph (f) or (g) of the definition “specified property or service” that is related to a 1-800, 1-866, 1-877 or 1-888 telephone service or a similar toll-free telephone service;

(d) access to the Internet;

(e) a web-hosting service;

(f) a taxi, the operation and custody of which is entrusted to a person by the holder of a taxi permit for the taxi; or

(g) property or a service that is acquired or imported exclusively for the purpose of

(i) being supplied by a person,

(ii) becoming a component of tangible personal property that is to be supplied by a person, or

(iii) in the case of property or a service described in paragraph (f) or (g) of the definition “specified property or service” acquired by a person operating a telecommunication service, being used directly and solely in the making of a taxable supply of a telecommunication service by the person.

“farming”  
« agriculture »

“farming” has the meaning assigned by subsection 248(1) of the *Income Tax Act*.

“large business”  
« grande entreprise »

“large business”, at any time, means a person that is, at that time, a prescribed person for the purposes of the definition “large business” in subsection 236.01(1) of the Act.

“motor vehicle”  
« véhicule automobile »

“motor vehicle” has the same meaning as in section 26 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

“qualifying energy”  
« forme d’énergie admissible »

“qualifying energy” means specified energy that is a specified property or service.

“qualifying food, beverages and entertainment”  
« aliments, boissons et divertissements admissibles »

“qualifying food, beverages and entertainment” means food, beverages or entertainment that is a specified property or service.

“qualifying fuel”  
« carburant admissible »

“qualifying fuel” means motive fuel that is a specified property or service.

“qualifying motor vehicle”  
« véhicule automobile admissible »

“qualifying motor vehicle” means

- (a) a selected motor vehicle that is a specified property or service; and
- (b) property (other than motive fuel) or a service, in respect of a selected motor vehicle, that is a specified property or service.

“qualifying telecommunications services”  
« service de télécommunication admissible »

“qualifying telecommunications services” means a specified property or service described in paragraph (f) or (g) of the definition “specified property or service”.

“recapture rate”  
« taux de récupération »

“recapture rate” has the same meaning as in section 26 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

“selected motor vehicle”  
« véhicule automobile désigné »

“selected motor vehicle” means a motor vehicle that is licensed, or required to be licensed, for use on a public highway under the laws of a province relating to the licensing of motor vehicles and that weighs, while carrying its maximum capacity of fuel, lubricant and coolant, less than 3,000 kilograms at the time when the motor vehicle is first licensed, or first required to be licensed, under those laws.

“specified energy”  
« forme d'énergie déterminée »

“specified energy” has the same meaning as in section 26 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

“specified extent”  
« mesure déterminée »

“specified extent” of property or a service in respect of a specified class of specified property or service, for a province that is Ontario or British Columbia and for a reporting period of a person, means the percentage that is equal to

(a) in the case where the specified class is qualifying telecommunications services, the property or service includes qualifying telecommunications services and other property or services that are not specified property or services (each of which is referred to in this paragraph as an “element”) and the consideration for the specified property or service and each element is not separately identified,

- (i) if the province is British Columbia, 95%, and
- (ii) if the province is Ontario and the specified property or service is provided to the person together with
  - (A) an element that is a service, 96%,
  - (B) an element that is property, 89%, and
  - (C) an element that is a service and an element that is property, 86%;

(b) if paragraph (a) does not apply and the property or service is a specified property or service (other than farming property or service of the person for the reporting period) of the specified class, 100%; and

(c) in any other case, 0%.

“specified property or service”  
« bien ou service déterminé »

“specified property or service” means property or a service (other than excluded property or service) that is

- (a) a selected motor vehicle;
- (b) motive fuel, other than diesel fuel, that is acquired or imported for consumption or use in the engine of a selected motor vehicle;
- (c) property (other than property for maintenance or repair) that is acquired or imported by a person for consumption or use in respect of a selected motor vehicle acquired or imported by the person, if the acquisition or importation of the property occurs within 365 days of the acquisition or importation of the selected motor vehicle;
- (d) a service (other than a service for maintenance or repair) that is acquired by a person for consumption or use in respect of a selected motor vehicle acquired or imported by the person, if the acquisition of the service occurs within 365 days of the acquisition or importation of the motor vehicle;
- (e) specified energy;
- (f) a service described in paragraph (a) of the definition “telecommunication service” in subsection 123(1) of the Act;
- (g) access to a telecommunications circuit, line, frequency, channel or partial channel, or to other similar means of transmitting a telecommunication (but not including a satellite channel), for use in providing a service described in paragraph (a) of the definition “telecommunication service” in subsection 123(1) of the Act; or
- (h) food, beverages or entertainment acquired by a person in respect of which subsection 67.1(1) of the *Income Tax Act* applies or would apply if the person were a taxpayer under that Act.

“specified salary and wages”  
« rémunération déterminée »

“specified salary and wages” has the same meaning as in section 31 of the *New Harmonized Value-added Tax System Regulations, No. 2*.

Specified classes

(2) For the purposes of this section and paragraph 49(d), the following are specified classes of specified property or service:

- (a) qualifying energy;
- (b) qualifying food, beverages and entertainment;
- (c) qualifying fuel;
- (d) qualifying motor vehicles; and
- (e) qualifying telecommunications services.

Farming property or service

(3) For the purposes of this section and paragraph 49(d), specified property or service of a person is farming property or service of the person for a particular reporting period of the person if the chief source of income for the taxation year of the person preceding the particular reporting period was farming and if the specified property or service is primarily consumed or used in the person’s farming activities.

Tax recovery rate

(4) For the purposes of paragraph 49(d), the tax recovery rate of a financial institution for a specified class of specified property or service for a reporting period of the financial institution is

(a) if the specified class is qualifying fuel, the tax recovery rate of the financial institution for qualifying motor vehicles for the reporting period, as determined under paragraph (b); and

(b) for any other specified class,

(i) if an election under section 46 is in effect throughout the reporting period, the percentage determined by the formula

A/B

where

A is the total of all amounts, each of which is an input tax credit of the financial institution for the reporting period in respect of an amount of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act, and

B is the total of all amounts, each of which is an amount of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act that became payable by the financial institution during the reporting period without having been paid before the reporting period or was paid by the financial institution during the reporting period without having become payable, and

(ii) in any other case, the percentage determined by the formula

C/D

where

C is the total of all amounts, each of which is an input tax credit of the financial institution for the reporting period in respect of a specified property or service of the specified class and in respect of an amount of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act, and

D is the total of all amounts, each of which is an amount of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act in respect of a supply of a specified property or service of the specified class that became payable by the financial institution during the reporting period without having been paid before the reporting period or was paid by the financial institution during the reporting period without having become payable.

Election —  
subsection 45(4)

**46.** (1) Subject to subsection (4), a financial institution may make an election for the purposes of paragraph 45(4)(b) that is effective from the first day of the first reporting period of the financial institution that meets the following criteria:

(a) the reporting period ends after June 2010;

(b) throughout the reporting period the financial institution is a selected listed financial institution; and

(c) during the reporting period the financial institution is, at any time, a large business.

Form of election

(2) An election made under subsection (1) by a financial institution is to be

(a) be made in prescribed form containing prescribed information; and

(b) be filed with the Minister in prescribed manner on or before the first day of the first reporting period referred to in subsection (1) or any later day that the Minister may allow.

Revocation

(3) A financial institution that has made an election under subsection (1) may revoke the election by filing in prescribed manner with the Minister a notice of revocation in prescribed form containing prescribed information not later than the day on which the revocation is to become effective or any later day that the Minister may allow.

Restriction

(4) If a financial institution has made an election under subsection (1) and has revoked the election under subsection (3), no other election under subsection (1) may be made by the financial institution.

Interpretation —  
non-stratified  
investment plans

**47.** (1) If a selected listed financial institution is a non-stratified investment plan and an election under section 52 in respect of the financial institution is in effect throughout a fiscal year that ends in a taxation year of the financial institution, in determining under section 49 prescribed amounts for the purpose of the description of G in subsection 225.2(2) of the Act for a particular reporting period of the financial institution in the fiscal year, the following rules apply:

(a) a reference to “the total for A” in section 49 is to be read as a reference to “the total of all amounts, each of which is the total for A<sub>1</sub>”;

(b) a reference to “the total for B” in section 49 is to be read as a reference to “the total of all amounts, each of which is the total for A<sub>2</sub>”;

(c) a reference to “the total for F” in section 49 is to be read as a reference to “the total for D”; and

(d) a reference to “the financial institution’s percentage for the participating province and for the taxation year” or to “the lesser of the financial institution’s percentage for the participating province and for the taxation year and the financial institution’s percentage for the participating province and for the preceding taxation year” in section 49 are to be read as a reference to “the financial institution’s percentage for the participating province as of the first day in the particular reporting period”.

Interpretation —  
stratified  
investment plans

(2) If a selected listed financial institution is a stratified investment plan, in determining under section 49 prescribed amounts for the purpose of the description of G in subsection 225.2(2) of the Act for a particular reporting period of the financial institution in a fiscal year that ends in a particular taxation year of the financial institution, the following rules apply:

(a) a reference to “the total for A” in section 49 is to be read as a reference to “the total of the total of all amounts, each of which is the total for A<sub>1</sub>, and the total of all amounts, each of which is the total for A<sub>4</sub>”;

(b) a reference to “the total for B” in section 49 is to be read as a reference to “the total of the total of all amounts, each of which is the total for A<sub>2</sub>, and the total of all amounts, each of which is the total for A<sub>5</sub>”;

(c) a reference to “the total for F” in section 49 is to be read as a reference to “the total for D”; and



(d) for the purposes of section 49, the financial institution's percentage for a participating province and for the particular taxation year or for the preceding taxation year is not to be determined in accordance with the rules set out in Part 2 that apply to the financial institution but instead is to be determined as the total of all amounts, each of which is determined for a series of the financial institution by the formula

$$A \times (B/C)$$

where

A is

(i) if an election under section 52 in respect of the series is in effect throughout the particular reporting period, the financial institution's percentage for the series and for the participating province as of the first day in the particular reporting period, and

(ii) in any other case, the financial institution's percentage for the series, for the participating province and for the taxation year that immediately precedes the particular taxation year,

B is the total value of the units of the series as of the first day in the particular reporting period, and

C is the total value of the units of the financial institution as of the first day in the particular reporting period.

Restriction

**48.** Any amount included in the determination of the value of  $G_1$  in paragraph 49(a), the value of  $G_{12}$  in paragraph 49(b) or the value of  $G_{18}$  of paragraph 49(c) in determining a prescribed amount in accordance with section 49 for a reporting period of a selected listed financial institution and for a participating province is not to be included in determining a prescribed amount in accordance with that section for the reporting period and for any other participating province.

Specific adjustments

**49.** For the purpose of the description of G in subsection 225.2(2) of the Act, the following are prescribed amounts for a particular reporting period in a fiscal year that ends in a taxation year of a selected listed financial institution and for a participating province:

(a) the positive or negative amount determined by the formula

$$G_1 - [(G_2 - G_3) \times G_4 \times (G_5/G_6)]$$

where

$G_1$  is the total of

(i) all amounts each of which is an amount that was paid or that became payable by the financial institution as or on account of tax under subsection 165(2) of the Act and that was adjusted, refunded or credited under section 232 of the Act in the particular reporting period, to the extent that the amount was included in the total for F in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(ii) if, under section 252.4 or 252.41 of the Act, a person during the particular reporting period pays to, or credits in favour of, the financial institution an amount as or on account of a rebate, all amounts each of which is an amount so paid or

credited to the financial institution to the extent that the amount is in respect of tax under subsection 165(2) or section 212.1 of the Act and was included in the total for F in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(iii) all amounts each of which is an amount that, during the particular reporting period, was rebated, refunded or remitted to the financial institution under any Act of Parliament (other than the Act), to the extent that the amount is in respect of tax under subsection 165(2) or section 212.1 of the Act and was included in the total for F in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(iv) all amounts each of which is determined, for each rebate in respect of which section 181.1 of the Act applies that is received during the particular reporting period by the financial institution, by the formula

$$[A/(100 + A + B)] \times C$$

where

A is

(A) if tax under subsection 165(2) of the Act was payable in respect of the supply to the financial institution of the property or service in respect of which the rebate is paid, the tax rate for the participating province in which the supply was made, and

(B) in any other case, zero, and

B is the rate set out in subsection 165(1) of the Act, and

C is the amount of the rebate,

(v) all amounts each of which is an amount, in respect of a supply made at any time during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax payable by the financial institution under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act that is included in the cost to the financial institution of supplying the property or service to the other person, and

(vi) all amounts each of which is

(A) the provincial component amount, within the meaning of section 232.01 of the Act, of a tax adjustment note issued under subsection 232.01(3) of the Act to the financial institution during the particular reporting period in respect of a specified resource if an amount in respect of a supply of all or part of the specified resource was included under paragraph (ii) of the description of  $G_{12}$  in paragraph (b) for the particular reporting period or an earlier reporting period of the financial institution, or

(B) the provincial component amount, within the meaning of section 232.02 of the Act, of a tax adjustment note issued under subsection 232.02(2) of the Act to the financial institution during the particular reporting period in respect of em-

ployer resources if an amount in respect of supplies of the employer resources was included under paragraph (iii) of the description of  $G_{12}$  in paragraph (b) for the particular reporting period or an earlier reporting period of the financial institution,

$G_2$  is the total of

(i) all amounts each of which is an amount that was paid or that became payable by the financial institution as or on account of tax under subsection 165(1) of the Act and that was adjusted, refunded or credited under section 232 of the Act in the particular reporting period, to the extent that the amount was included in the total for A in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(ii) if, under section 252.4 or 252.41 of the Act, a person during the particular reporting period pays to, or credits in favour of, the financial institution an amount as or on account of a rebate, all amounts each of which is an amount so paid or credited to the financial institution, to the extent that the amount is in respect of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act and was included in the total for A in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(iii) all amounts each of which is an amount (other than an amount included under subparagraph (i)) that, during the particular reporting period, was rebated, refunded or remitted to the financial institution under any Act of Parliament, to the extent that the amount is in respect of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act and was included in the total for A in subsection 225.2(2) of the Act or in the total for subparagraph (iv) of the description of  $G_7$  in paragraph (b) for any reporting period, including the particular reporting period, of the financial institution,

(iv) all amounts each of which is determined, for each rebate to which section 181.1 of the Act applies that is received during the particular reporting period by the financial institution, by the formula

$$[A/(100 + A + B)] \times C$$

where

A is the rate set out in subsection 165(1) of the Act,

B is

(A) if tax under subsection 165(2) of the Act was payable in respect of the supply to the financial institution of the property or service in respect of which the rebate is paid, the tax rate for the participating province in which the supply was made, and

(B) in any other case, zero, and

C is the amount of the rebate,

(v) all amounts, each of which is

(A) the federal component amount, within the meaning of section 232.01 of the Act, of a tax adjustment note issued under subsection 232.01(3) of the Act to the financial institution during the particular reporting period in respect of a specified resource if an amount in respect of a supply of all or part of the specified resource was included under subparagraph (iv) of the description of  $G_7$  in paragraph (b) for the particular reporting period or an earlier reporting period of the financial institution, or

(B) the federal component amount, within the meaning of section 232.02 of the Act, of a tax adjustment note issued under subsection 232.02(2) of the Act to the financial institution during the particular reporting period in respect of employer resources if an amount in respect of supplies of the employer resources was included under subparagraph (iv) of the description of  $G_7$  in paragraph (b) for the particular reporting period or an earlier reporting period of the financial institution, and

(vi) all amounts, each of which is an amount of tax that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution, if the tax is a cost to the financial institution of making a supply, the supply is made at any time during the particular reporting period to another person that is a selected listed financial institution at that time and an election made by the financial institution and the other person under subsection 225.2(4) of the Act applies to the supply,

$G_3$  is the total of

(i) all input tax credits of the financial institution claimed in the return under Division V of Part IX of the Act filed by the financial institution for any reporting period, including the particular reporting period, of the financial institution in respect of an amount included under any of subparagraphs (i) to (iii) of the description of  $G_2$  for the particular reporting period,

(ii) all amounts included for any reporting period, including the particular reporting period, of the financial institution in the total for B in subsection 225.2(2) of the Act in respect of an amount included under subparagraph (iv) of the description of  $G_2$  for the particular reporting period,

(iii) all amounts each of which is an amount of tax that the financial institution is deemed under paragraph 181.1(f) of the Act to have collected during the particular reporting period, and

(iv) all amounts, each of which is

(A) an amount the financial institution was required by paragraph 232.01(5)(b) of the Act to include in its determination of net tax for the particular reporting period in respect of input tax credits of the financial institution included in the total for B in subsection 225.2(2) of the Act for the particular reporting period or an earlier reporting period of the financial institution,

(B) an amount the financial institution was required by paragraph 232.02(4)(b) of the Act to include in its determination of net tax for the particular reporting period in respect of input tax credits of the financial institution included in the

total for B in subsection 225.2(2) of the Act for the particular reporting period or an earlier reporting period of the financial institution,

(C) if a tax adjustment note is issued to the financial institution under subsection 232.01(3) of the Act in respect of all or part of a specified resource, a supply of the specified resource or part is deemed for the purposes of section 232.01 of the Act to have been received by the financial institution under subparagraph 172.1(5)(d)(i) of the Act and tax in respect of the supply is deemed for the purposes of section 232.01 of the Act to have been paid on a particular day under subparagraph 172.1(5)(d)(ii) of the Act by the financial institution, an amount that the financial institution would be required by paragraph 232.01(5)(c) of the Act to pay during the particular reporting period to the Receiver General as a result of the issuance of the tax adjustment note if the financial institution were a selected listed financial institution on the particular day, or

(D) if a tax adjustment note is issued to the financial institution under subsection 232.02(2) of the Act in respect of employer resources, particular supplies (as referred to in subsection 232.02(4) of the Act) of those employer resources are deemed for the purposes of section 232.02 of the Act to have been received by the financial institution under subparagraph 172.1(6)(d)(i) of the Act and tax in respect of each of the particular supplies is deemed for the purposes of section 232.02 of the Act to have been paid under subparagraph 172.1(6)(d)(ii) of the Act by the financial institution, an amount that the financial institution would be required by paragraph 232.02(4)(c) of the Act to pay during the particular reporting period to the Receiver General as a result of the issuance of the tax adjustment note if the financial institution were a selected listed financial institution on the first day on which an amount of tax is deemed for the purposes of section 232.02 of the Act to have been paid in respect of the particular supplies,

G<sub>4</sub> is

(i) for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period, the lesser of the financial institution's percentage for the participating province and for the taxation year and the financial institution's percentage for the participating province and for the preceding taxation year, each determined in accordance with the rules set out in Part 2 that apply to that financial institution,

(ii) despite subparagraph (i), for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period in the case where the financial institution is a selected listed financial institution to which subsection 228(2.2) of the Act applies, the financial institution's percentage for the participating province and for the reporting period preceding the particular reporting period, determined in accordance with the rules set out in Part 2 that apply to that financial institution, and

(iii) in any other case, the financial institution's percentage for the participating province and for the taxation year, determined in accordance with the rules set out in Part 2 that apply to that financial institution,

G<sub>5</sub> is the tax rate for the participating province, and

$G_6$  is the rate set out in subsection 165(1) of the Act;

(b) the positive or negative amount determined by the formula

$$[(G_7 - G_8) \times G_9 \times (G_{10}/G_{11})] - G_{12}$$

where

$G_7$  is the total of

(i) all amounts each of which is an amount of tax deemed to have been collected during the particular reporting period by the financial institution under paragraph 129(6)(b) or subsection 129.1(4) of the Act,

(ii) all amounts each of which is an amount of tax deemed to have been paid by the financial institution under paragraph 180(d) of the Act during the particular reporting period to the extent that the amount is in respect of tax paid by another person under subsection 165(1) or section 212 of the Act and has not been included in the total for A in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(iii) all amounts each of which is an amount that is required to be added under subsection 235(1) or 236(1) of the Act in determining the net tax of the financial institution for the particular reporting period, and

(iv) all amounts each of which is an amount of tax that the financial institution was deemed to have paid during the particular reporting period under subparagraph 172.1(5)(d)(ii) or (6)(d)(ii) or paragraph 172.1(7)(d) of the Act,

$G_8$  is the total of

(i) all input tax credits of the financial institution that the financial institution is entitled to claim in the return under Division V of Part IX of the Act filed by the financial institution for the particular reporting period in respect of an amount included under subparagraph (ii) of the description of  $G_7$  for the particular reporting period, to the extent that the amount has not been included in the total for B in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution, and

(ii) all amounts each of which would be, in the absence of an election under section 150 of the Act, an input tax credit of the financial institution for the particular reporting period in respect of a supply made at any time by the financial institution to another person that is a selected listed financial institution at that time, if tax under subsection 165(1) of the Act would have been payable in respect of the supply in the absence of that election and no election made by the financial institution and the other person under subsection 225.2(4) of the Act applies in respect of the supply,

$G_9$  is

(i) for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period, the lesser of the financial institution's percentage for the participating province and for the taxation year and the financial institution's percentage for the participating province

and for the preceding taxation year, each determined in accordance with the rules set out in Part 2 that apply to that financial institution,

(ii) despite subparagraph (i), for the purpose of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period in cases where the financial institution is a selected listed financial institution to which subsection 228(2.2) of the Act applies, the financial institution's percentage for the participating province and for the reporting period preceding the particular reporting period, determined in accordance with the rules set out in Part 2 that apply to that financial institution, and

(iii) in any other case, the financial institution's percentage for the participating province and for the taxation year, determined in accordance with the rules set out in Part 2 that apply to that financial institution,

$G_{10}$  is the tax rate for the participating province,

$G_{11}$  is the rate set out in subsection 165(1) of the Act, and

$G_{12}$  is the total of

(i) all amounts, each of which is an amount of tax deemed to have been paid by the financial institution under paragraph 180(d) of the Act during the particular reporting period to the extent that the amount is in respect of tax paid by another person under subsection 165(2) or section 212.1 of the Act and has not been included in the total for F in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution,

(ii) all amounts, each of which is an amount determined for B in the formula in paragraph 172.1(5)(c) of the Act in respect of a supply that the financial institution was deemed to have received during the particular reporting period under paragraph 172.1(5)(d) of the Act,

(iii) all amounts, each of which is an amount determined for B in the formula in paragraph 172.1(6)(c) of the Act in respect of a supply that the financial institution was deemed to have received during the particular reporting period under paragraph 172.1(6)(d) of the Act, and

(iv) all amounts, each of which is an amount determined for B in the formula in paragraph 172.1(7)(c) of the Act in respect of a supply in respect of which the financial institution was deemed to have paid tax during the particular reporting period under paragraph 172.1(7)(d) of the Act;

(c) if the participating province is Ontario, Nova Scotia or British Columbia, the positive or negative amount determined by the formula

$$[(G_{13} - G_{14}) \times G_{15} \times (G_{16}/G_{17})] - G_{18}$$

where

$G_{13}$  is the total of

(i) all amounts, each of which is an amount of tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act that was paid or became payable by the financial institution before the beginning of the reporting period of the financial

institution that includes July 1, 2010 and in respect of which the financial institution has claimed an input tax credit in the return for the particular reporting period under Division V of Part IX of the Act, to the extent that the amount was included in the total for B in subsection 225.2(2) of the Act for the particular reporting period, and

(ii) if the particular reporting period begins before July 1, 2010 and ends on or after that day, all amounts, each of which is determined — in respect of tax that became payable under any of subsections 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period or that was paid by the financial institution without having become payable during the particular reporting period and that is in respect of property that is in whole or in part delivered or made available, or in respect of a service that is rendered in whole or in part, after the particular reporting period — by the formula

$$(A - B) \times (C/D) \times E$$

where

A is the amount of that tax,

B is total of all input tax credits of the financial institution in respect of that tax,

C is the number of days in the particular reporting period before July 2010,

D is the total number of days in the particular reporting period, and

E is 100% less the extent (expressed as a percentage) to which the property is delivered or made available, or the service is rendered, before the end of the particular reporting period,

G<sub>14</sub> is the total of

(i) all amounts, each of which is an amount determined — in respect of tax that became payable under any of subsections 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period or that was paid by the financial institution without having become payable during the particular reporting period in respect of a supply or importation of property (other than real property) that is in whole or in part delivered or made available, of real property the ownership or possession of which is transferred or of a service that is rendered in whole or in part, before the reporting period of the financial institution that includes July 1, 2010 — by the formula

$$(A - B) \times (C/D) \times E$$

A is the amount of that tax,

B is total of all input tax credits of the financial institution in respect of that tax,

C is the number of days in the particular reporting period after June 2010,

D is the total number of days in the particular reporting period, and

E is, in the case of real property, 100% and, in any other case, the extent (expressed as a percentage) to which the property is delivered or made available, or the service is rendered, before the reporting period of the financial institution that includes July 1, 2010,



(ii) if the particular reporting period begins after June 2010, all amounts, each of which is an amount determined — in respect of tax that became payable under any of subsections 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period or that was paid by the financial institution without having become payable during the particular reporting period in respect of a supply or importation of property (other than real property) that is in whole or in part delivered or made available, of real property the ownership or possession of which is transferred or of a service that is rendered in whole or in part, during another reporting period of the financial institution that begins before July 1, 2010 and ends on or after that day — by the formula

$$(A - B) \times (C/D) \times E$$

where

A is the amount of that tax,

B is total of all input tax credits of the financial institution in respect of that tax,

C is the number of days in the other reporting period before July 2010,

D is the total number of days in the other reporting period, and

E is, in the case of real property, 100% and, in any other case, the extent (expressed as a percentage) to which the property is delivered or made available, or the service is rendered, during the other reporting period, and

(iii) if section 60 does not apply to the financial institution and the particular reporting period begins before July 1, 2010 and ends on or after that day, the amount determined by the formula

$$(A - B) \times (C/D)$$

where

A is the total of the following amounts, each of which is determined for the particular reporting period and the participating province:

(A) the total for A in subsection 225.2(2) of the Act,

(B) the total for  $G_3$  in paragraph (a), and

(C) the total for  $G_7$  in paragraph (b),

B is total of the following amounts, each of which is determined for the particular reporting period and the participating province:

(A) the total for B in subsection 225.2(2) of the Act,

(B) the total for  $G_2$  in paragraph (a), and

(C) the total for  $G_8$  in paragraph (b),

C is the number of days in the particular reporting period before July 2010, and

D is the total number of days in the particular reporting period,

$G_{15}$  is

(i) for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period, the lesser of the financial institution's percentage for the participating province and for the taxation year and the financial institution's percentage for the participating province and for the preceding taxation year, each determined in accordance with the rules set out in Part 2 that apply to that financial institution,

(ii) despite subparagraph (i), for the purpose of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period in cases where the financial institution is a selected listed financial institution to which subsection 228(2.2) of the Act applies, the financial institution's percentage for the participating province and for the reporting period preceding the particular reporting period, determined in accordance with the rules set out in Part 2 that apply to that financial institution, and

(iii) in any other case, the financial institution's percentage for the participating province and for the taxation year, determined in accordance with the rules set out in Part 2 that apply to that financial institution,

G<sub>16</sub> is

(i) if the participating province is Ontario or British Columbia, the tax rate for the participating province, and

(ii) if the participating province is Nova Scotia, 2%,

G<sub>17</sub> is the rate set out in subsection 165(1) of the Act, and

G<sub>18</sub> is the total of all amounts, each of which is an amount of tax that was paid or became payable by the financial institution under any of subsection 165(2) and section 212.1 of the Act in respect of a supply or importation of property or a service in respect of which tax under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act was paid or became payable by the financial institution in the particular reporting period of the financial institution that ends after June 2010, to the extent that the amount has not been included in the total for F in subsection 225.2(2) of the Act for any reporting period, including the particular reporting period, of the financial institution, provided either that tax is payable in respect of the supply or importation under either of subsection 165(2) or section 212.1 of the Act as a consequence of the application of Part 3 of the *New Harmonized Value-added Tax System Regulations* or Divisions 2 and 3 of Part 9 of the *New Harmonized Value-added Tax System Regulations, No. 2* or that tax is payable at the rate of 10% in respect of the supply or importation under either of that subsection or section as a consequence of the application of the *Nova Scotia HST Regulations, 2010*;

(d) if the participating province is Ontario or British Columbia, the positive or negative amount determined by the formula

$$[G_{19} \times G_{20} \times (G_{21}/G_{22}) \times G_{23}] - G_{24}$$

where

G<sub>19</sub> is

(i) if the financial institution is a large business at any time in the particular reporting period, the total of all amounts, each of which is determined for a specified class of specified property or service by the formula

$$A \times B \times C$$

where

A is the total of

(A) all amounts each of which is an amount of tax (other than an amount of tax that is prescribed for the purposes of paragraph (a) of the description of A in subsection 225.2(2) of the Act or an amount of tax included in subparagraph (vi) of the description of G<sub>2</sub> in paragraph (a)) that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period in respect of a supply or importation of property or a service multiplied by the specified extent of the property or service in respect of the specified class for the participating province and for the particular reporting period,

(B) all amounts each of which is an amount of tax under subsection 165(1) of the Act in respect of a supply (other than a supply to which clause (C) applies) of property or a service made by a person to the financial institution that would, in the absence of an election under section 150 of the Act, have become payable by the financial institution during the particular reporting period multiplied by the specified extent of the property or service in respect of the specified class for the participating province and for the particular reporting period,

(C) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under Part IX of the Act multiplied by the specified extent of the property or service in respect of the specified class for the participating province and for the particular reporting period,

(D) all amounts each of which is an amount of tax (other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph (a) of the description of A in subsection 225.2(2) of the Act) that would have been payable under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period in respect of a supply or importation of property or a service multiplied by the specified extent of the property or service in respect of the specified class for the participating province and for the particular reporting period if,

(I) in the case where the property or a service is acquired or imported by the financial institution for consumption, use or supply exclusively in the course of commercial activities and, as a result of the consumption, use or

supply exclusively in the course of commercial activities, no tax under section 212 or 218 of the Act is payable in respect of the acquisition or importation under that section, tax under section 212 or 218 of the Act had been payable in respect of the acquisition or importation,

(II) in the case of a supply of property or a service deemed under subsection 143(1) of the Act to have been made outside Canada, the supply had not been deemed to have been made outside Canada,

(III) in the case of a supply of property or a service that is deemed under Part IX of the Act to have been made for nil consideration, the supply had not been deemed to have been made for nil consideration, and

(IV) in the case of a supply of property or a service that is deemed under paragraph 273(1)(c) of the Act not to be a supply, the supply had not been deemed not to be a supply, and

(E) if the specified class is qualifying motor vehicles and the financial institution is engaged in the business of supplying motor vehicles by way of sale, all amounts each of which is determined — for a selected motor vehicle described in subparagraph (g)(i) of the definition “excluded property or service” in subsection 45(1) that was acquired or imported by the financial institution and is used by the financial institution, at any time in the particular reporting period, otherwise than exclusively for the purpose referred to in that subparagraph — by the formula

$$D \times E \times 2\%$$

where

D is the amount of tax (other than an amount of tax that is a prescribed amount of tax for the purposes of paragraph (a) of the description of A in subsection 225.2(2) of the Act) that became payable at any time under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution in respect of a supply or importation of the selected motor vehicle, and

E is the number of fiscal months in the particular reporting period during which the selected motor vehicle was used otherwise than exclusively for the purpose referred to in subparagraph (g)(i) of the definition “excluded property or service” in subsection 45(1),

B is the tax recovery rate of the financial institution for the specified class for the particular reporting period, and

C is

(A) in the case where the specified class is qualifying food, beverages and entertainment, 50%,

(B) in the case where the specified class is qualifying fuel and the participating province is British Columbia, 0%,

(C) in the case where the specified class is qualifying energy, the percentage determined by the formula

$$F/G$$

where

F is the total of the specified salary and wages of each employee of the financial institution that are paid by the financial institution in the second last taxation year of the financial institution preceding the particular reporting period for anything done by the employee in the course of, or in relation to, the office or employment of the employee in the province to the extent that it can reasonably be considered that those specified salary and wages are not attributable to the direct engagement by the employee in activities that are eligible scientific research and experimental development activities for the purposes of

(I) if the participating province is Ontario, the *Taxation Act, 2007*, S.O. 2007, c. 11, Sch. A, and

(II) if the participating province is British Columbia, the *Income Tax Act*, R.S.B.C. 1996, c. 215, and

G is the total of the specified salary and wages of each employee of the financial institution that are paid by the financial institution in the second last taxation year of the financial institution preceding the particular reporting period for anything done by the employee in the course of, or in relation to, the office or employment of the employee in the participating province, and

(D) in any other case, 100%, and

(ii) in any other case, zero,

G<sub>20</sub> is

(i) for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period, the lesser of the financial institution's percentage for the participating province and for the taxation year and the financial institution's percentage for the participating province and for the preceding taxation year, each determined in accordance with the rules set out in Part 2 that apply to that financial institution,

(ii) despite subparagraph (i), for the purpose of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period in cases where the financial institution is a selected listed financial institution to which subsection 228(2.2) of the Act applies, the financial institution's percentage for the participating province and for the reporting period preceding the particular reporting period, determined in accordance with the rules set out in Part 2 that apply to that financial institution, and

(iii) in any other case, the financial institution's percentage for the participating province and for the taxation year, determined in accordance with the rules set out in Part 2 that apply to that financial institution,

$G_{21}$  is the tax rate for the participating province,

$G_{22}$  is the rate set out in subsection 165(1) of the Act, and

$G_{23}$  is

(i) if the particular reporting period begins before July 1, 2010 and ends on or after that day, the amount determined by the formula

$$A/B$$

where

A is the number of days in the particular reporting period after June 2010 on which the financial institution was a large business, and

B is the number of days in the particular reporting period, or

(ii) if the particular reporting period begins on or after July 1, 2010, the amount determined by the formula

$$(A \times B)/C^2$$

where

[A is the total of all amounts, each of which is the recapture rate applicable on a day in the particular reporting period,]

B is the number of days in the particular reporting period on which the financial institution was a large business, and

C is the number of days in the particular reporting period, and

$G_{24}$  is the total of all amounts, each of which is determined — for a selected motor vehicle that the financial institution, in the particular reporting period, either supplies by way of sale to a person that is not related to the financial institution or removes from Canada and registers in another country and in respect of the last acquisition or importation of which, in another reporting period of the financial institution, the financial institution included an amount under the description of  $G_{19}$  in determining its net tax for the other reporting period — by the formula

$$A \times B \times (C/D) \times E \times (F/G)$$

where

A is the amount determined for the participating province under the description of  $G_{19}$  in the other reporting period in respect of the last acquisition or importation of the selected motor vehicle,

B is the amount determined for the participating province under the description of  $G_{20}$  for the other reporting period,

C is the tax rate for the participating province,

D is the rate set out in subsection 165(1) of the Act,

E the amount determined for  $G_{23}$  for the financial institution for the other reporting period,

F is

(i) if the financial institution supplies the selected motor vehicle and the recipient of the supply is not dealing at arm's length with the financial institution or if the financial institution removes the selected motor vehicle from Canada, the fair market value of the selected motor vehicle at the time of the supply or removal, and

(ii) in any other case, the consideration for the supply by way of sale of the selected motor vehicle, and

G is the consideration in respect of the last acquisition, or the value in respect of the last importation, of the selected motor vehicle by the financial institution in respect of which the amount determined under the description of A is attributable; and

(e) if the particular reporting period includes July 1, 2010 and the participating province is Nova Scotia, New Brunswick or Newfoundland and Labrador, the negative value of the amount determined by the formula

$$G_{25} \times G_{26} \times 8/5$$

where

$G_{25}$  is the total of all amounts, each of which is an amount of tax that became payable under any of subsections 165(1) and sections 212 and 218 of the Act by the financial institution during a reporting period of the financial institution that precedes the particular reporting period, or that was paid by the financial institution without having become payable during a reporting period of the financial institution that precedes the particular reporting period, in respect of a supply or importation of property or service for consumption or use exclusively in Ontario or British Columbia, to the extent that the amount is included in the total for A in subsection 225.2(2) of the Act for a reporting period preceding the particular reporting period and is not included in the total for B in that subsection for any reporting period, including the particular reporting period, of the financial institution, if tax is payable in respect of the supply or importation under any of subsection 165(2) and section 212.1 of the Act as a consequence of the application of Part 3 of the *New Harmonized Value-added Tax System Regulations* or Divisions 2 and 3 of Part 9 of the *New Harmonized Value-added Tax System Regulations, No. 2*, and

$G_{26}$  is

(i) for the purposes of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period, the lesser of the financial institution's percentage for the participating province and for the taxation year and the financial institution's percentage for the participating province and for the preceding taxation year, each determined in accordance with the rules set out in Part 2 that apply to that financial institution,

(ii) despite subparagraph (i), for the purpose of calculating under paragraph 228(2.1)(a) of the Act the interim net tax of the financial institution for the particular reporting period in cases where the financial institution is a selected listed financial institution to which subsection 228(2.2) of the Act applies, the financial institution's percentage for the participating province and for the reporting period preceding the

particular reporting period, determined in accordance with the rules set out in Part 2 that apply to that financial institution, and

(iii) in any other case, the financial institution's percentage for the participating province and for the taxation year, determined in accordance with the rules set out in Part 2 that apply to that financial institution.

## PART 5

### INVESTMENT PLANS

#### INTERPRETATION

Definitions

**50.** For the purposes of this Part,

(a) "specified investor" has the same meaning as in subsection 17(1); and

(b) "investor percentage" means "investor percentage" within the meaning of section 30.

#### NET TAX ADJUSTMENT FOR INVESTMENT PLANS

Adaptation of  
subsection  
225.2(2) of Act  
— stratified  
plans

**51.** (1) In applying subsection 225.2(2) of the Act for the determination of the net tax for a particular reporting period in a fiscal year that ends in a taxation year of a stratified investment plan, the formula in that subsection and the descriptions for that formula are adapted as follows:

$$[[A \times (B/C)] - D] + E$$

where

A is the total of all positive or negative amounts, each of which is determined for a series of the financial institution (other than a provincial series of the financial institution for the fiscal year) and is equal to

(a) if an election under section 52 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* is in effect in respect of the series throughout the particular reporting period, the total of all amounts, each of which is determined for a particular day in the particular reporting period, by the formula

$$(A_1 - A_2) \times A_3$$

where

A<sub>1</sub> is the total of

(i) all amounts of tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of those Regulations) in respect of a supply or importation of property or a service that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 by the financial institution on the particular day or that was paid by the financial institution on the particular day without having become payable, to the extent that the property or service was acquired or imported for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations,



(ii) all amounts each of which is tax under subsection 165(1) in respect of a supply (other than a supply to which subparagraph (iii) applies) of property or a service made by a person to the financial institution that would, in the absence of an election made under section 150, have become payable by the financial institution on the particular day, to the extent that the property or service was acquired for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations, and

(iii) all amounts each of which is an amount, in respect of a supply made on the particular day of property or a service to which an election made by the financial institution and another person under subsection (4) applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under this Part, to the extent that the property or service was acquired for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations,

A<sub>2</sub> is the total of

(i) all amounts, each of which is an input tax credit (other than an input tax credit in respect of an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of those Regulations) of the financial institution for the particular reporting period or preceding reporting periods of the financial institution in respect of the acquisition or importation of property or a service that is claimed by the financial institution in the return under this Division filed by the financial institution for the particular reporting period, to the extent that the property or service was acquired or imported for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations, to the extent that the amount was not included in the determination of A<sub>2</sub> for any other day in the particular reporting period, and

(ii) all amounts each of which would be an input tax credit of the financial institution for the particular reporting period of the financial institution in respect of property or a service if tax became payable during the particular reporting period in respect of the supply of the property or service and that tax were equal to the amount included for the series for any day in the particular reporting period under subparagraph (ii) or (iii) of the description of A<sub>1</sub> in respect of the supply, to the extent that the amount was not included in the determination of A<sub>2</sub> for any other day in the particular reporting period, and

A<sub>3</sub> is the financial institution's percentage for the series and for the participating province, determined for financial institutions of that class in accordance with those Regulations,

(i) as of the first business day of the calendar quarter that includes the particular day, or such other day of that quarter that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations indicates that the financial institution's percentages are to be determined on a quarterly basis,

(ii) as of the first business day of the calendar month that includes the particular day, or such other day of that month that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations in respect of the series indicates that the financial institution's percentages for the series are to be determined on a monthly basis,

(iii) as of the first business day of the week that includes the particular day, or such other day of that week that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations in respect of the series indicates that the financial institution's percentages for the series are to be determined on a weekly basis, or

(iv) as of the particular day in any other case, or

(b) if no election under section 52 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* is in effect in respect of the series throughout the particular reporting period, the amount determined by the formula

$$(A_4 - A_5) \times A_6$$

where

$A_4$  is the total of

(i) all amounts of tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of those Regulations) in respect of a supply or importation of property or a service that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 by the financial institution during the particular reporting period or that was paid by the financial institution during the particular reporting period without having become payable, to the extent that the property or service was acquired or imported for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations,

(ii) all amounts each of which is tax under subsection 165(1) in respect of a supply (other than a supply to which subparagraph (iii) applies) of property or a service made by a person to the financial institution that would, in the absence of an election made under section 150, have become payable by the financial institution during the particular reporting period, to the extent that the property or service was acquired for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations, and

(iii) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection (4) applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under this Part, to the extent that the property or service was acquired for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations,

A<sub>5</sub> is the total of

(i) all amounts, each of which is an input tax credit (other than an input tax credit in respect of an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of those Regulations) of the financial institution for the particular reporting period or preceding reporting periods of the financial institution in respect of the acquisition or importation of property or a service that is claimed by the financial institution in the return under this Division filed by the financial institution for the particular reporting period, to the extent that the property or service was acquired or imported for consumption, use or supply in the course of the activities relating to the series, as determined under section 54 of those Regulations, and

(ii) all amounts each of which would be an input tax credit of the financial institution for the particular reporting period of the financial institution in respect of property or a service if tax became payable during the particular reporting period in respect of the supply of the property or service and that tax were equal to the amount included for the particular reporting period under subparagraph (ii) or (iii) of the description of A<sub>4</sub> in respect of the supply, and

A<sub>6</sub> is

(i) if an election under section 53 of those Regulations is in effect throughout the particular reporting period, the financial institution's percentage for the series, for the participating province and for the taxation year, determined for financial institutions of that class in accordance with those Regulations, and

(ii) in any other case, the financial institution's percentage for the series, for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with those Regulations;

B is the tax rate for the participating province;

C is the rate set out in subsection 165(1);

D is the total of

(a) all amounts, each of which is an amount of tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) under subsection 165(2) in respect of a supply made in the participating province to the financial institution, or under section 212.1 that was calculated at the tax rate for the participating province, that

(i) became payable, or was paid without having become payable, during

(A) the particular reporting period, or

(B) any other reporting period of the financial institution that precedes the particular reporting period, provided that

(I) the particular reporting period ends within two years after the end of the financial institution's fiscal year that includes the other reporting period, and

(II) the financial institution was a selected listed financial institution throughout the other reporting period,

(ii) was not deducted in determining an amount that, pursuant to this subsection, is required to be added to or may be deducted from the net tax for any reporting period of the financial institution other than the particular reporting period, and

(iii) is claimed by the financial institution in a return under this Division filed by the financial institution for the particular reporting period, and

(b) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection (4) applies, equal to tax payable by the other person under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and

E is the total of all amounts, each of which is an amount that is prescribed under section 49 or paragraph 58(2)(b) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.

Adaptation of  
subsection  
225.2(2) of Act  
— non-stratified  
plans with  
real-time

(2) In applying subsection 225.2(2) of the Act for the determination of the net tax for a particular reporting period in a fiscal year that ends in a taxation year of a non-stratified investment plan and throughout which an election under section 52 is in effect, the formula in that subsection and the descriptions for that formula are adapted as follows:

$$[[A \times (B/C)] - D] + E$$

where

A is the total of all positive or negative amounts, each of which is determined for a particular day in the particular reporting period by the formula

$$(A_1 - A_2) \times A_3$$

where

A<sub>1</sub> is the total of

(a) all amounts of tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) in respect of a supply or importation of property or service that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 by the financial institution on the particular day or that was paid by the financial institution on the particular day without having become payable,

(b) all amounts each of which is tax under subsection 165(1) in respect of a supply (other than a supply to which paragraph (c) applies) of property or a service made by a person to the financial institution that would, in the absence of an election made under section 150, have become payable by the financial institution on the particular day, and

(c) all amounts each of which is an amount, in respect of a supply made on the particular day of property or a service to which an election made by the financial

institution and another person under subsection (4) applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under this Part,

A<sub>2</sub> is the total of

(a) all amounts, each of which is an input tax credit (other than an input tax credit in respect of an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) of the financial institution for the particular reporting period or preceding reporting periods of the financial institution claimed by the financial institution in the return under this Division filed by the financial institution for the particular reporting period, to the extent that the amount was not included in the determination of A<sub>2</sub> for any other day in the particular reporting period, and

(b) all amounts each of which would be an input tax credit of the financial institution for the particular reporting period of the financial institution in respect of property or a service if tax became payable during the particular reporting period in respect of the supply of the property or service and that tax were equal to the amount included for any day in the particular reporting period under paragraph (b) or (c) of the description of A<sub>1</sub> in respect of the supply, to the extent that the amount was not included in the determination of A<sub>2</sub> for any other day in the particular reporting period, and

A<sub>3</sub> is the financial institution's percentage for the participating province, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*,

(a) as of the first business day of the calendar quarter that includes the particular day, or such other day of that quarter that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations indicates that the financial institution's percentages are to be determined on a quarterly basis,

(b) as of the first business day of the calendar month that includes the particular day, or such other day of that month that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations indicates that the financial institution's percentages are to be determined on a monthly basis,

(c) as of the first business day of the week that includes the particular day, or such other day of that week that the Minister may allow on application by the financial institution, if the election under section 52 of those Regulations indicates that the financial institution's percentages are to be determined on a weekly basis, or

(d) as of the particular day in any other case;

B is the tax rate for the participating province;

C is the rate set out in subsection 165(1);

D is the total of

(a) all amounts, each of which is an amount of tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) under subsection 165(2) in respect of a supply made in the participating province to the financial institution, or under section 212.1 that was calculated at the tax rate for the participating province, that

(i) became payable, or was paid without having become payable, during

(A) the particular reporting period, or

(B) any other reporting period of the financial institution that precedes the particular reporting period, provided that

(I) the particular reporting period ends within two years after the end of the financial institution's fiscal year that includes the other reporting period, and

(II) the financial institution was a selected listed financial institution throughout the other reporting period,

(ii) was not deducted in determining an amount that, pursuant to this subsection, is required to be added to or may be deducted from the net tax for any reporting period of the financial institution other than the particular reporting period, and

(iii) is claimed by the financial institution in a return under this Division filed by the financial institution for the particular reporting period, and

(b) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection (4) applies, equal to tax payable by the other person under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and

E is the total of all amounts, each of which is an amount that is prescribed under section 49 or paragraph 58(2)(b) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.

Adaptation of C  
in subsection  
225.2(2) of Act

(3) If a selected listed financial institution is an investment plan, neither subsection (1) nor (2) applies in respect of a particular reporting period in a fiscal year that ends in a taxation year of the financial institution and no election under section 53 is in effect throughout the fiscal year, in determining the net tax for the particular reporting period, the description of C in the formula in subsection 225.2(2) of the Act is adapted to be read as "is the financial institution's percentage for the participating province and for the preceding taxation year, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*";".

Adaptation of  
subsection  
225.2(7) of Act

(4) In determining the net tax for a reporting period in respect of which subsection (1) or (2) applies, the reference in subsection 225.2(7) of the Act to "the description of F in subsection (2)" is adapted to be read as a reference to "the description of D in subsection (2) as adapted by section 51 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*".

Instalment base  
— non-stratified  
plan with  
real-time

(5) If an investment plan is a non-stratified investment plan and an election under section 52 is in effect throughout a fiscal year of the investment plan or if an investment plan is a stratified investment plan and an election under that section is in effect in respect of every series of the investment plan throughout a fiscal year of the investment plan, subsection 237(1) of the Act is adapted as follows for each reporting period of the investment plan in the fiscal year:

**237.** (1) If the reporting period of a registrant is a fiscal year or a period determined under subsection 248(3), the registrant shall, within one month after the end of each fiscal quarter of the registrant ending in the reporting period, pay to the Receiver General an instalment equal to the amount that would be the net tax of the registrant for the fiscal quarter if the fiscal quarter were a reporting period of the registrant.

Instalment base  
— stratified plan

(6) If an investment plan is a stratified investment plan, subsection (5) does not apply in respect of a reporting period of the investment plan and an election under section 53 is in effect throughout the reporting period, the following rules apply:

(a) the description of A in the formula in subparagraph 237(2)(a)(i) of the Act is adapted for the reporting period to be read as “is the amount that would be the net tax for the particular reporting period if the description of  $A_6$  in subsection 225.2(2), as adapted by subsection 51(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, were read as “is the financial institution’s percentage for the series, for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*”, and”;

(b) subparagraph 237(2)(a)(ii) of the Act is adapted as follows for the reporting period:

(ii) in any other case, the amount that would be the net tax for the particular reporting period if the description of  $A_6$  in subsection 225.2(2), as adapted by subsection 51(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, were read as “is the financial institution’s percentage for the series, for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*”, and

Instalment base  
— other  
investment plans

(7) If neither subsection (5) nor (6) applies in respect of a reporting period of an investment plan and an election under section 53 is in effect throughout the reporting period, the following rules apply:

(a) the description of A in the formula in subparagraph 237(2)(a)(i) of the Act is adapted for the reporting period to be read as “is the amount that would be the net tax for the particular reporting period if the description of C in the formula in subsection 225.2(2) were read as “is the financial institution’s percentage for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*”, and”;

(b) subparagraph 237(2)(a)(ii) of the Act is adapted as follows for the reporting period:

(ii) in any other case, the amount that would be the net tax of the person for the particular reporting period if the description of C in the formula in subsection 225.2(2)

were read as “is the financial institution’s percentage for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*”, and

Interim  
remittance —  
reconciliation or  
real-time

(8) If no election under section 53 is in effect throughout a fiscal year of an investment plan, if an investment plan is a non-stratified investment plan and an election under section 52 is in effect throughout a fiscal year of the investment plan or if an investment plan is a stratified investment plan and an election under that section is in effect in respect of every series of the investment plan throughout a fiscal year of the investment plan, paragraph 228(2.1)(a) of the Act is adapted as follows for each reporting period of the investment plan in the fiscal year:

(a) the person shall calculate in the interim return the amount (in this Part referred to as the “interim net tax”) that is the net tax of the person for the reporting period; and

Interim  
remittance —  
stratified plans

(9) If an investment plan is a stratified investment plan and subsection (8) does not apply in respect of a reporting period of the investment plan, paragraph 228(2.1)(a) of the Act is adapted as follows for the reporting period:

(a) the person shall calculate in the interim return the amount (in this Part referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if the description of  $A_6$  in subsection 225.2(2) of the Act, as adapted by subsection 51(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, were read as “is the financial institution’s percentage for the series, for the participating province and for the preceding taxation year of the financial institution, determined for financial institutions of that class in accordance with the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*”; and

Interim  
remittance —  
other cases

(10) If neither subsection (8) nor (9) applies in respect of a reporting period of an investment plan, paragraph 228(2.1)(a) of the Act is adapted as follows for the reporting period:

(a) the person shall calculate in the interim return the amount (in this Part referred to as the “interim net tax”) that would be the net tax of the person for the reporting period if the description of C in the formula in subsection 225.2(2) were read as “is the financial institution’s percentage for the participating province and for the preceding taxation year, determined in accordance with the prescribed rules that apply to financial institutions of that class”; and

First fiscal year  
— instalment  
base and interim  
remittance

(11) In respect of each reporting period in a fiscal year of an investment plan, subsections 228(2.2) and 237(5) of the Act do not apply.

Election for  
real-time  
calculation —  
stratified plans

**52.** (1) A stratified investment plan (other than a mortgage investment corporation) that is a selected listed financial institution may make an election in respect of a series of the plan (other than an exchange-traded series) for the purposes of these Regulations and subsection 225.2(2) of the Act, as adapted by subsection 51(1), and that election is to be effective from the first day of a fiscal year of the investment plan.

Election for  
real-time  
calculation —  
non-stratified  
plans

(2) A non-stratified investment plan (other than an exchange-traded fund or a mortgage investment corporation) that is a selected listed financial institution may make an election in respect of the plan for the purposes of these Regulations and subsection 225.2(2) of the



Act, as adapted by subsection 51(2), and that election is to be effective from the first day of a fiscal year of the investment plan.

- Restriction (3) An election made under subsection (1) in respect of a series of an investment plan or under subsection (2) in respect of an investment plan is not to become effective if
- (a) on the day on which the election is to come into effect,
    - (i) an election under subsection 19(1) in respect of the series, or an election under subsection 19(2) in respect of the investment plan, is in effect, or
    - (ii) an election under section 53 by the investment plan is in effect; or
  - (b) on September 30 immediately preceding the day on which the election is to come into effect, less than 90% of the total value of the units of the series or of the investment plan is held by individuals or specified investors in the investment plan.
- Form of election (4) An election made under subsection (1) in respect of a series of an investment plan or under subsection (2) in respect of an investment plan is to
- (a) be made in prescribed form containing prescribed information;
  - (b) set out the first fiscal year of the investment plan during which the election is to be in effect; and
  - (c) indicate whether the investment plan's percentages, or the investment plan's percentages for the series, are to be determined on a daily basis, a weekly basis, a monthly basis or a quarterly basis.
- Cessation (5) An election made by a person that is an investment plan under subsection (1) in respect of a series of the investment plan or under subsection (2) in respect of the investment plan ceases to have effect on the earliest of
- (a) if, on a day in a particular fiscal year of the person, subsection 31(3) applies in respect of the series or subsection 33(3) applies in respect of the investment plan, the first day of the fiscal year of the person immediately following the particular fiscal year,
  - (b) the first day of the fiscal year of the person in which the person ceases to be an investment plan or a selected listed financial institution or becomes a mortgage investment corporation,
  - (c) in the case of an election under subsection (1), the first day of the fiscal year of the person in which the series becomes an exchange-traded series,
  - (d) in the case of an election under subsection (2), the first day of the fiscal year of the person in which the person becomes an exchange-traded fund, and
  - (e) the day on which a revocation of the election becomes effective.
- Revocation (6) An investment plan that has made an election under subsection (1) or (2) may, in prescribed form containing prescribed information, revoke the election, effective on the first day of a fiscal year of the investment plan that begins at least three years after the election became effective.
- Restriction (7) If a particular election made under subsection (1) or (2) ceases to have effect on a particular day, any subsequent election under subsection (1) or (2) is not a valid election

unless the first day of the fiscal year set out in the subsequent election is at least three years after the particular day.

Election for reconciliation	<p><b>53.</b> (1) An investment plan that is a selected listed financial institution may make an election for the purposes of section 51 and subsection 225.2(2) of the Act, as adapted by subsection 51(1), and that election is to be effective from the first day of a fiscal year of the investment plan.</p>
Restriction	<p>(2) An election made under subsection (1) by an investment plan is not to become effective if, on the day on which the election is to come into effect, an election under subsection 52(1) in respect of a series of the investment plan, or an election under subsection 52(2) in respect of the investment plan, is in effect.</p>
Form of election	<p>(3) An election made under subsection (1) by an investment plan is to</p> <ul style="list-style-type: none"><li>(a) be made in prescribed form containing prescribed information; and</li><li>(b) set out the first fiscal year of the investment plan during which the election is to be in effect.</li></ul>
Cessation	<p>(4) An election made under subsection (1) by a person that is an investment plan ceases to have effect on the earlier of</p> <ul style="list-style-type: none"><li>(a) the first day of the fiscal year of the person in which the person ceases to be an investment plan or a selected listed financial institution, and</li><li>(b) the day on which a revocation of the election becomes effective.</li></ul>
Revocation	<p>(5) An investment plan that has made an election under subsection (1) may, in prescribed form containing prescribed information, revoke the election, effective on the first day of a fiscal year of the investment plan that begins at least three years after the election became effective.</p>
Restriction	<p>(6) If a particular election made under subsection (1) ceases to have effect on a particular day, any subsequent election under that subsection is not a valid election unless the first day of the fiscal year set out in the subsequent election is at least three years after the particular day.</p>

#### ALLOCATION OF EXPENSES TO A SERIES

Allocation of expenses to series	<p><b>54.</b> (1) For the purposes of these Regulations, the <i>New Harmonized Value-added Tax System Regulations, No. 2</i> and subsection 225.2(2) of the Act, as adapted by subsection 51(1), and subject to subsections (2) and (3), for every property or service that a stratified investment plan acquires, imports or brings into a participating province, the stratified investment plan must determine the extent to which the property or service is acquired, imported or brought in for consumption, use or supply in the course of the activities relating to each series of the stratified investment plan.</p>
Requirement	<p>(2) For every property or service that is acquired, imported or brought into a participating province by a stratified investment plan, the total of all amounts, each of which is an extent, expressed as a percentage, in respect of the property or service determined in accordance with this section, must equal 100%.</p>
Method of allocating expenses	<p>(3) The methods used by a stratified investment plan to determine the extent to which properties or services are acquired, imported or brought into a participating province for</p>

consumption, use or supply in the course of the activities relating to each of its series must be fair and reasonable and must be used consistently throughout a fiscal year of the stratified investment plan.

#### INFORMATION SHARING

Definitions	<b>55.</b> (1) The definitions in this subsection apply in this section.
“affiliated group” « <i>groupe affilié</i> »	“affiliated group” means a group of investment plans, each member of which is affiliated with each other member of the group.
“qualifying investor” « <i>investisseur admissible</i> »	“qualifying investor” in an investment plan means a selected investor in the investment plan that <ul style="list-style-type: none"><li>(a) is not a qualifying small investment plan for the purposes of Part 1;</li><li>(b) is a selected listed financial institution; or</li><li>(c) is a member of an affiliated group,<ul style="list-style-type: none"><li>(i) the members of which together hold units of the investment plan with a total value of \$10,000,000 or more, or</li><li>(ii) any member of which is a selected listed financial institution.</li></ul></li></ul>
“selected investor” « <i>investisseur désigné</i> »	“selected investor” in a particular investment plan means a person that is an investment plan other than a distributed investment plan and that holds units of the particular investment plan with a total value of less than \$10,000,000.
Affiliated persons	(2) For the purposes of this section, persons affiliated with each other are <ul style="list-style-type: none"><li>(a) pension entities of the same pension plan;</li><li>(b) trusts governed by the same deferred profit sharing plan, employee benefit plan, registered supplementary unemployment benefit plan, employees profit sharing plan, retirement compensation arrangement or employee trust;</li><li>(c) employee life and health trusts established for the same employees; or</li><li>(d) related persons.</li></ul>
Production of investor percentage	(3) Every person (other than an individual or a specified investor in the investment plan) that holds units of a non-stratified investment plan (other than an exchange-traded fund) that is a selected listed financial institution or of a series (other than an exchange-traded series) of a stratified investment plan that is a selected listed financial institution must, if the investment plan makes a written request during a calendar year, provide to the investment plan the person’s investor percentage for each participating province as of September 30 of that calendar year, and the number of units held on that day by the person in the non-stratified investment plan or in each series (other than an exchange-traded series) of the stratified investment plan, on or before the particular day that is the later of <ul style="list-style-type: none"><li>(a) November 15 of that calendar year, and</li><li>(b) the day that is 45 days after the day on which the person receives the request.</li></ul>

Production of  
address —  
selected  
investors

(4) Every person that is resident in Canada and that is a selected investor, but is not a qualifying investor, in a non-stratified investment plan (other than an exchange-traded fund) that is a selected listed financial institution or in a stratified investment plan that is a selected listed financial institution must, if the investment plan makes a written request during a calendar year, provide to the investment plan the person's address that determines in accordance with section 6 the province in which the person is resident on September 30 of that calendar year and the number of units held on that day by the person in the non-stratified investment plan, or in each series (other than an exchange-traded series) of the stratified investment plan, on or before the particular day that is the later of

- (a) November 15 of that calendar year, and
- (b) the day that is 45 days after the day on which the person receives the request.

Production of  
address —  
securities dealers

(5) Every person that sells or distributes units of a non-stratified investment plan (other than an exchange-traded fund) that is a selected listed financial institution or of a series (other than an exchange-traded series) of a stratified investment plan that is a selected listed financial institution must, if the investment plan makes a written request during a calendar year, provide, for each participating province, the number of units of the non-stratified investment plan, or the number of units of each series (other than an exchange-traded series) of the stratified investment plan, held by clients of the person resident in the participating province on September 30 of that calendar year and the number of units of the non-stratified investment plan, or the number of units of each series (other than an exchange-traded series) of the stratified investment plan, held by clients resident in Canada on that day, on or before the particular day that is the later of

- (a) November 15 of that calendar year, and
- (b) the day that is 45 days after the day on which the person receives the request.

Production of  
qualifying  
investor status

(6) Every person that is a qualifying investor in an investment plan on a particular day that is September 30 of a calendar year must provide to the investment plan, on or before November 15 of the calendar year,

- (a) notice that the person is a qualifying investor in the investment plan on the particular day;
- (b) the number of units held on the particular day by the person in the investment plan and, if applicable, in each series of the investment plan; and
- (c) the person's investor percentage for each participating province as of the particular day.

Use of  
information

(7) A distributed investment plan that obtains any information in respect of a person in accordance with any of subsections (3) to (6) must not knowingly use, communicate, or allow to be used or communicated, otherwise than as required or authorized under the Act, these Regulations or any other regulation made under the Act, the information without the written consent of that person.

Penalty —  
failure to provide  
information

(8) Every person that fails to provide, on request made by a distributed investment plan under any of subsections (3) to (5), the information described in that subsection to the investment plan on or before the particular day described in that subsection, or that misstates such information to the investment plan, is liable to a penalty, for each such failure, equal

to the lesser of \$10,000 and 0.01% of the total value, on September 30 of the calendar year set out in the request, of the units of the investment plan in respect of which that person was required to provide information to the investment plan in accordance with that subsection.

Penalty —  
failure to provide  
notice

(9) Every person that is required by subsection (6) to provide the information described in that subsection to a distributed investment plan on or before November 15 of a calendar year and that fails to do so is liable to a penalty, for each such failure, equal to the lesser of \$10,000 and 0.01% of the total value, on September 30 of that calendar year, of the units of the distributed investment plan held by the person on that day.

#### REPORTING ELECTIONS

Reporting entity  
election

**56.** (1) An investment plan that is a selected listed financial institution and the manager of the investment plan may jointly elect to have the manager file the returns of the investment plan under Division V of Part IX of the Act.

Effect of election

(2) Despite section 238 of the Act, if an election made by a manager and an investment plan under subsection (1) is in effect on a particular day on or before which a return under Division V of Part IX of the Act for a reporting period of the investment plan is required to be filed, the return for the reporting period must be filed with the Minister by the manager in prescribed manner.

Form and filing  
of election

(3) An election made under subsection (1) by a manager and an investment plan is to

- (a) be made in prescribed form containing prescribed information;
- (b) set out the day on which the election is to come into effect; and
- (c) be filed with the Minister in prescribed manner before that day or any later day that the Minister may allow.

Cessation

(4) An election made under subsection (1) by a particular person that is a manager and another person that is an investment plan ceases to have effect on the earliest of

- (a) the day on which the particular person ceases to be the manager of the other person,
- (b) the last day of the reporting period of the other person in which the other person ceases to be an investment plan or a selected listed financial institution, and
- (c) the day on which a revocation of the election becomes effective.

Revocation

(5) An investment plan that has made an election under subsection (1) may revoke the election, effective on a particular day, by filing in prescribed manner with the Minister a notice of revocation in prescribed form containing prescribed information not later than the particular day or any later day that the Minister may allow.

Revocation —  
restriction

(6) A revocation made by an investment plan under subsection (5) of a joint election is effective only if the investment plan notifies, before the day on which the revocation is to come into effect, the manager that made the joint election.

Joint and several  
liability

(7) If an election made under subsection (1) by a manager and an investment plan is in effect on a particular day on or before which a return under Division V of Part IX of the Act for a reporting period of the investment plan is required to be filed or if a manager of an investment plan files a return under Division V of Part IX of the Act for a reporting period of the investment plan on a day on which an election made under subsection (1) by the

manager and the investment plan is in effect, the manager and the investment plan are jointly and severally, or solidarily, liable for

(a) the net tax for the reporting period; and

(b) any interest or penalties in respect of the net tax for the reporting period or in respect of the return.

Consolidated filing election

**57.** (1) A manager and any two or more investment plans with which the manager has jointly made an election under subsection 56(1) may jointly elect to file the returns of those investment plans on a consolidated basis.

Addition of investment plan

(2) A manager that has made a particular joint election under subsection (1) with two or more investment plans and another investment plan with which the manager has jointly made an election under subsection 56(1) may jointly elect to include the other investment plan in the particular joint election.

Withdrawal from election

(3) If a joint election under subsection (1) is in effect between a manager and three or more investment plans, one of those investment plans may elect to withdraw from the joint election.

Restriction

(4) A joint election under subsection (1) by two or more investment plans and a manager that is to come into effect on a particular day in a fiscal year of one of those investment plans may only be made if the end of the respective reporting periods of those investment plans in the fiscal year of each of those investment plans coincide with each other.

Restriction

(5) An election under subsection (2) by a particular investment plan and a manager to include the particular investment plan in a joint election made by the manager and two or more other investment plans that is to come into effect on a particular day in a fiscal year of the particular investment plan may only be made if the end of the respective reporting periods of the particular investment plan and of the other investment plans in the fiscal year of each of those investment plans coincide with each other.

Restriction

(6) A particular election under subsection (3) by a particular investment plan to withdraw from a joint election made by a manager, the particular investment plan and two or more other investment plans may only come into effect on or after the particular day on which the manager and the other investment plans are notified of the particular election by the particular investment plan.

Effect of election

(7) Despite section 238 of the Act, if an election made by two or more investment plans and a manager under subsection (1) is in effect on a particular day on or before which the returns under Division V of Part IX of the Act for a reporting period of those investment plans would be required to be filed in the absence of this subsection, the manager must file in prescribed manner with the Minister on or before that day a single joint return for the reporting period in prescribed form containing prescribed information on behalf of those investment plans and those investment plans are each not required to file the return under that Division for the reporting period.

Effect of election

(8) For the purposes of this section and section 59, if an election was made by a particular investment plan and a manager under subsection (2) to join, as of a particular day, a particular election made by the manager and two or more other investment plans under subsection (1), the following rules apply:

	<p>(a) the particular election ceases to have effect on the particular day; and</p> <p>(b) an election is deemed to have been made under subsection (1) by the manager, the particular investment plan and the other investment plans and that election is deemed to have come into effect on the particular day.</p>
Effect of withdrawal	<p>(9) For the purposes of this section and section 59, if an election made under subsection (3) by a particular investment plan to withdraw from, as of a particular day, a particular joint election made under subsection (1) by the particular investment plan, a manager and two or more other investment plans, the following rules apply:</p> <p>(a) the particular joint election ceases to have effect on the particular day; and</p> <p>(b) an election is deemed to have been made under subsection (1) by the manager and the other investment plans and that election is deemed to have come into effect on the particular day.</p>
Form and filing of elections	<p>(10) An election made under any of subsections (1) to (3) is to</p> <p>(a) be made in prescribed form containing prescribed information;</p> <p>(b) set out the day on which the election is to come into effect; and</p> <p>(c) be filed with the Minister in prescribed manner before that day or any later day that the Minister may allow.</p>
Cessation	<p>(11) An election made under subsection (1) made by a person ceases to have effect on the earliest of</p> <p>(a) the day the election ceases to have effect pursuant to paragraph (8)(a) or (9)(a),</p> <p>(b) the day on which a revocation of the election becomes effective,</p> <p>(c) the first day of a fiscal year of the person in which any investment plan that made the election ceases to have the same reporting periods as any of the other investment plans that made the election,</p> <p>(d) if the person is a manager of an investment plan with which it has made the election, the day on which the person ceases to be the manager of the investment plan, and</p> <p>(e) if the person is an investment plan, the last day of the reporting period of the person in which the person ceases to be an investment plan or a selected listed financial institution.</p>
Revocation	<p>(12) The investment plans that have jointly made an election under subsection (1) may jointly revoke the election, effective on a particular day, by filing in prescribed manner with the Minister a notice of revocation in prescribed form containing prescribed information not later than the particular day or any later day that the Minister may allow.</p>
Revocation — restriction	<p>(13) A revocation made by two or more investment plans under subsection (12) of a joint election is effective only if one of those investment plans notifies, before the day on which the revocation is to come into effect, the manager that made the joint election.</p>
Joint and several liability	<p>(14) If an election made under subsection (1) by a manager and two or more investment plans is in effect on a particular day on or before which the returns under Division V of Part IX of the Act for the reporting periods of those investment plans would be required to be filed in the absence of subsection (7) or if a manager of two or more investment plans files a joint return referred to in subsection (7) for the reporting periods of those investment plans</p>

on a day on which an election made under subsection (1) by the manager and those investment plans is in effect, the manager and those investment plans are jointly and severally, or solidarily, liable for

- (a) the net tax for those reporting periods; and
- (b) any interest or penalties in respect of the net tax for those reporting periods or in respect of the joint return referred to in subsection (7).

Tax adjustment  
transfer election

**58.** (1) An investment plan that is a selected listed financial institution and the manager of the investment plan may jointly elect to transfer the investment plan's adjustments to net tax under subsection 225.2(2) of the Act to the manager, and that election is to be effective from the first day of a reporting period of the manager.

Effect of election

(2) If a manager has made joint elections with one or more investment plans (each of which is referred to in this subsection as a "qualifying investment plan") under subsection (1) that are in effect throughout a particular reporting period of the manager, the following rules apply:

(a) for each qualifying investment plan, the following amounts of tax are prescribed for the qualifying investment plan for the purposes of paragraph (a) of the description of A and paragraph (a) of the description of F in subsection 225.2(2) of the Act:

(i) any amount of tax in respect of a supply that became payable by the qualifying investment plan, or that was paid by the qualifying investment plan without having become payable, at a particular time that is

- (A) during the particular reporting period, and
- (B) during a reporting period of the investment plan the return for which is required to be filed by a manager in accordance with subsection 56(2), and

(ii) any amount of tax in respect of a supply made by the manager to the qualifying investment plan that became payable by the qualifying investment plan, or that was paid by the qualifying investment plan without having become payable, at a particular time that is

- (A) during the particular reporting period, and
- (B) during a reporting period of the qualifying investment plan the return for which is not required to be filed by a manager in accordance with subsection 56(2);

(b) if the manager is a selected listed financial institution throughout the particular reporting period, the total of all particular amounts is a prescribed amount for the manager for the purpose of the description of G in subsection 225.2(2) of the Act, each of those particular amounts being a positive amount that a qualifying investment plan would be required to add, or a negative amount (in this section referred to as a "negative adjustment amount") that the qualifying investment plan would be able to deduct, in determining its net tax under subsection 225.2(2) of the Act, having regard to any applicable adaptations made to that subsection under these Regulations, for a particular reporting period of the qualifying investment plan if

(i) the beginning and end of the particular reporting period of the qualifying investment plan coincided with the beginning and end of the particular reporting period of the manager,



(ii) the amounts of tax referred to in paragraph (a) were not prescribed amounts of tax for the qualifying investment plan under that paragraph and any of sections 42 and 60,

(iii) the only amounts included in determining those positive or negative amounts were amounts in respect of the supplies referred to in paragraph (a), and

(iv) these Regulations were read in the absence of this section; and

(c) if the manager is not a selected listed financial institution throughout the particular reporting period, subsection 225.2(2) of the Act is adapted in respect of the particular reporting period as follows:

(2) In determining the net tax for a particular reporting period in a fiscal year of a manager that has made joint elections with one or more investment plans (each of which is referred to in this subsection as a “qualifying investment plan”) under subsection 58(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* that are in effect throughout the particular reporting period, the manager shall add all positive amounts, and may, if the manager has paid or credited the negative amount to the qualifying investment plan, deduct any such negative amounts, each of which is the total of the positive amounts that a qualifying investment plan would be required to add, and the negative amounts that the qualifying investment plan would be able to deduct, in determining its net tax under this subsection, having regard to any applicable adaptations to this subsection made under those Regulations, for a particular reporting period of the qualifying investment plan if

(a) the beginning and end of the particular reporting period of the qualifying investment plan coincided with the beginning and end of the particular reporting period of the manager;

(b) the following amounts of tax were not prescribed amounts of tax for the qualifying investment plan under any of sections 42 and 60 and paragraph 58(2)(a) of those Regulations:

(i) any amount of tax in respect of a supply that became payable by the qualifying investment plan, or that was paid by the qualifying investment plan without having become payable, at a particular time that is

(A) during the particular reporting period of the manager, and

(B) during a reporting period of the qualifying investment plan the return for which is required to be filed by a manager in accordance with subsection 56(2) of those Regulations, and

(ii) any amount of tax in respect of a supply made by the manager to the qualifying investment plan that became payable by the qualifying investment plan, or that was paid by the qualifying investment plan without having become payable, at a particular time that is

(A) during the particular reporting period of the manager, and

(B) during a reporting period of the qualifying investment plan the return for which is not required to be filed by a manager in accordance with subsection 56(2) of those Regulations, and

(c) the only amounts included in determining those positive or negative amounts were amounts in respect of the supplies referred to in paragraph (b); and

	(d) those Regulations were read in the absence of section 58.
Restriction	(3) Despite paragraph (2)(b), a negative adjustment amount in respect of an investment plan is not to be included in determining, in accordance with that paragraph, a prescribed amount in respect of a reporting period of a manager for the purpose of the description of G in subsection 225.2(2) of the Act unless the manager has paid or credited the negative adjustment amount to the investment plan.
Form and filing of election	(4) An election made under subsection (1) by a manager and an investment plan is to <ul style="list-style-type: none"> <li>(a) be made in prescribed form containing prescribed information;</li> <li>(b) set out the first fiscal year of the manager during which the election is to be in effect; and</li> <li>(c) be filed with the Minister in prescribed manner before the first day of that first fiscal year or any later day that the Minister may allow.</li> </ul>
Cessation	(5) An election made under subsection (1) by a particular person that is a manager and another person that is an investment plan ceases to have effect on the earliest of <ul style="list-style-type: none"> <li>(a) the first day of the fiscal year of the particular person in which the particular person ceases to be a manager of the other person,</li> <li>(b) the first day of the fiscal year of the particular person in which the other person ceases to be an investment plan or a selected listed financial institution, and</li> <li>(c) the day on which a revocation of the election becomes effective.</li> </ul>
Revocation	(6) If a manager and an investment plan have jointly made an election under subsection (1), the manager or the investment plan may revoke the election, effective on the first day of a fiscal year of the manager, by filing in prescribed manner with the Minister a notice of revocation in prescribed form containing prescribed information not later than the day on which the revocation is to become effective or any later day that the Minister may allow.
Revocation — restriction	(7) A revocation made by a person under subsection (6) of a joint election is effective only if the person notifies, before the day on which the revocation is to come into effect, the other person that made the joint election.
Joint and several liability	(8) If an election made under subsection (1) by a manager and an investment plan is in effect throughout a reporting period of the manager, the manager and the investment plan are jointly and severally, or solidarily, liable for the net tax for the reporting period and any interest or penalties in respect of that net tax.
Requirement to register	<b>59.</b> (1) A selected listed financial institution that has made a particular election under either of sections 56 and 58 and that has not made an election under section 57 is a prescribed financial institution for the purposes of subsection 240(1.2) of the Act, and the prescribed day for the purposes of paragraph 240(2.1)(a.1) of the Act is the day on which the particular election comes into effect.
Requirement to register as a group	(2) If two or more selected listed financial institutions and a manager of those financial institutions have jointly made an election under section 57 that comes into effect on a particular day,

(a) for the purposes of subsection 240(1.3) of the Act, those financial institutions are a prescribed group;

(b) for the purposes of subsection 240(2.2) of the Act, the manager is a person that is prescribed in respect of those financial institutions and the prescribed day is the day that is 30 days after the particular day;

(c) for the purposes of subsection 242(1.2) of the Act, a prescribed circumstance is the cessation of the joint election pursuant to any of paragraphs 57(11)(b) to (e); and

(d) for the purposes of subsection 242(1.4) of the Act, a prescribed circumstance in respect of one of those financial institutions is the withdrawal of the financial institution from the joint election pursuant to subsection 57(9).

## 2010 TRANSITIONAL RULES FOR INVESTMENT PLANS

### *New Selected Listed Financial Institutions*

Exclusion from subsection 225.2(2) formula

**60.** If an investment plan is a selected listed financial institution throughout the particular taxation year in which the fiscal year of the investment plan that includes July 1, 2010 ends and was not a selected listed financial institution throughout the taxation year of the investment plan that immediately precedes the particular taxation year, for the purposes of paragraph (a) of the description of A and paragraph (a) of the description of F in subsection 225.2(2) of the Act any amount of tax under Part IX of the Act that became payable by the investment plan before that day or that was paid by the investment plan before that day without having become payable is a prescribed amount of tax.

### *Attribution Point*

Attribution point — series of stratified investment plan

**61.** (1) For the purposes of Part 2 and section 62, if an investment plan is a stratified investment plan and no election under section 19 is in effect in respect of a series of the investment plan throughout any fiscal year of the investment plan that ends after June 30, 2010 and before January 1, 2011, “attribution point” in respect of the series for all taxation years of the investment plan in which any such fiscal year ends and for the taxation year preceding the earliest of those taxation years means the day determined by the investment plan that is on or after July 1, 2009 and before July 1, 2010.

Attribution point — non-stratified investment plan

(2) For the purposes of Part 2 and section 63, if an investment plan is a non-stratified investment plan and no election under section 19 is in effect in respect of the investment plan throughout any fiscal year of the investment plan that ends after June 30, 2010 and before January 1, 2011, “attribution point” in respect of the investment plan for all taxation years of the investment plan in which any such fiscal year ends and for the taxation year preceding the earliest of those taxation years means the day determined by the investment plan that is on or after July 1, 2009 and before July 1, 2010.

### *Percentages for Distributed Investment Plans*

Stratified investment plan

**62.** Despite section 32, if a selected listed financial institution is a stratified investment plan, no election under section 52 is in effect in respect of any series of the financial institution throughout a particular fiscal year of the financial institution that ends after June 2010 and before January 2011, no election is in effect under section 53 throughout the particular fiscal year and the financial institution has elected in prescribed form containing prescribed

information to have this section apply to each series, other than an exchange-traded series, of the financial institution, the financial institution's percentage for each of those series, for each participating province and for each specified taxation year — being the taxation year of the financial institution in which the particular fiscal year ends and the taxation year of the financial institution preceding that taxation year — is the percentage that would be the financial institution's percentage determined under section 32 for the series, for the participating province and for the specified taxation year if

(a) where, on an attribution point in respect of the series for the specified taxation year, less than 10% of the total value of the units of the series are held by persons (in this section referred to as "institutional investors") that are neither individuals nor specified investors in the financial institution, all units of the series held, on the attribution point, by unknown institutional investors — each of which is an institutional investor in respect of which the financial institution does not know, on December 31, 2010, the institutional investor's investor percentage for each participating province as of the attribution point — did not exist on the attribution point;

(b) where paragraph (a) does not apply in respect of an attribution point in respect of the series for the specified taxation year and, on the attribution point, less than 10% of the total value of the units of the series held by institutional investors are held by particular institutional investors in respect of which the financial institution does not know, on December 31, 2010, the institutional investor's investor percentage for each participating province as of the attribution point, all units of the series held, on the attribution point, by the particular institutional investors did not exist on the attribution point;

(c) where paragraphs (a) and (b) do not apply in respect of an attribution point in respect of the series for the specified taxation year, any institutional investor that holds, on the attribution point, units of the series were an individual;

(d) any reference in that section to "October 15 of the fiscal year" were a reference to "December 31, 2010"; and

(e) any reference in that section to "December 31 of the fiscal year" were a reference to "December 31, 2010".

Non-stratified  
investment plans

**63.** Despite section 34, if a selected listed financial institution is a non-stratified investment plan (other than an exchange-traded fund) in respect of which no election under either of sections 52 and 53 is in effect throughout a particular fiscal year of the financial institution that ends after June 2010 and before January 2011 and the financial institution has elected in prescribed form containing prescribed information to have this section apply, the financial institution's percentage for each participating province and for each specified taxation year — being the taxation year of the financial institution in which the particular fiscal year ends and the taxation year of the financial institution preceding that taxation year — is the percentage that would be the financial institution's percentage determined under section 34 for the participating province and for the specified taxation year if

(a) where, on an attribution point in respect of the financial institution for the specified taxation year, less than 10% of the total value of the units of the financial institution are held by persons (in this section referred to as "institutional investors") that are neither individuals nor specified investors in the financial institution, all units of the financial institution held, on the attribution point, by unknown institutional investors — each of

which is an institutional investor in respect of which the financial institution does not know, on December 31, 2010, the institutional investor's investor percentage for each participating province as of the attribution point — did not exist on the attribution point;

(b) where paragraph (a) does not apply in respect of an attribution point in respect of the financial institution for the specified taxation year and, on the attribution point, less than 10% of the total value of the units of the financial institution held by institutional investors are held by particular institutional investors in respect of which the financial institution does not know, on December 31, 2010, the institutional investor's investor percentage for each participating province as of the attribution point, all units of the financial institution held, on the attribution point, by the particular institutional investors did not exist on the attribution point;

(c) where paragraphs (a) and (b) do not apply in respect of an attribution point in respect of the financial institution for the specified taxation year, any institutional investor that holds, on the attribution point, units of the financial institution were an individual;

(d) any reference in that section to "October 15 of the fiscal year" were a reference to "December 31, 2010"; and

(e) any reference in that section to "December 31 of the fiscal year" were a reference to "December 31, 2010".

Production of  
address

**64.** (1) Every person that is resident in Canada, that holds units in a non-stratified investment plan (other than an exchange-traded fund) that is a selected listed financial institution or in a series (other than an exchange-traded series) of a stratified investment plan that is a selected listed financial institution and that is neither an individual nor a specified investor in the investment plan must, if the investment plan makes a written request, provide to the investment plan the person's address that determines in accordance with section 6 the province in which the person is resident on a day that is on or after July 1, 2009 and before July 1, 2010 and that is set out in the request and the number of units held on that day by the person in the non-stratified investment plan, or in each series (other than an exchange-traded series) of the stratified investment plan, on or before the particular day that is 45 days after the day on which the person received the request.

Use of  
information

(2) A distributed investment plan that obtains any information in respect of a person in accordance with subsection (1) must not knowingly use, communicate or allow to be used or communicated, otherwise than as required or authorized under the Act, these Regulations or any other regulation made under the Act, the information without the written consent of that person.

Penalty —  
failure to provide  
information

(3) Every person that fails to provide, on request made by a distributed investment plan under subsection (1), the information described in that subsection to the investment plan on or before the particular day described in that subsection, or that misstates such information to the investment plan, is liable to a penalty, for each such failure, equal to the lesser of \$10,000 and 0.01% of the total value, on the day set out in the request, of the units of the investment plan in respect of which that person was required to provide information to the investment plan in accordance with that subsection.

Transition —  
Ontario and  
British Columbia

**65.** For the purposes of applying sections 60 to 63, Ontario and British Columbia are deemed to be participating provinces at any time.

## PART 2

### NEW HARMONIZED VALUE-ADDED TAX SYSTEM REGULATIONS

#### 3. The *New Harmonized Value-added Tax System Regulations* are amended by adding the following after section 58:

Instalment base following harmonization

**58.1** (1) Despite subsection 237(2) of the Act, if a registrant (other than a selected listed financial institution) to which subsection 237(1) of the Act applies is resident in a specified province and is not resident in Nova Scotia, New Brunswick or Newfoundland and Labrador and a reporting period of the registrant begins in 2010, for the purpose of determining the amount of instalment payments under subsection 237(1) of the Act, if any, that become payable after the first fiscal quarter of the registrant beginning on or after July 1, 2010, the registrant's instalment base for the reporting period is equal to the lesser of

- (a) the amount determined under paragraph 237(2)(a) of the Act, and
- (b) 240% of the amount determined under paragraph 237(2)(b) of the Act.

Instalment base following harmonization

(2) Despite subsection 237(2) of the Act, if a registrant (other than a selected listed financial institution) to which subsection 237(1) of the Act applies is resident in a specified province and in Nova Scotia, New Brunswick or Newfoundland and Labrador and a reporting period of the registrant begins in 2010, for the purpose of determining the amount of instalment payments under subsection 237(1) of the Act, if any, that become payable after the first fiscal quarter of the registrant beginning on or after July 1, 2010, the registrant's instalment base for the reporting period is equal to the amount determined under paragraph 237(2)(a) of the Act.

Selected listed financial institutions — instalments in transitional year

(3) Despite subsection 237(1) of the Act, if a particular reporting period of a selected listed financial institution (other than an investment plan, as defined in subsection 1(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) ends in a particular fiscal year ending in a taxation year of the financial institution and the particular fiscal year begins before July 1, 2010 and ends on or after that day, the instalment to be paid under that subsection within one month after the end of each fiscal quarter ending on or after that day in the particular reporting period is the amount determined under whichever of the following paragraphs the financial institution has elected in prescribed form to determine the instalments for those fiscal quarters under:

- (a) the lesser of
  - (i) 1/4 of the amount determined under paragraph 237(2)(a) of the Act, and
  - (ii) the amount determined by the formula

$$A + (B/4)$$

where

A is the total of all amounts, each of which is determined, for a harmonized province, by the formula

$$[C \times D \times (E/F) \times (G/365)]/H$$

where

- C is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act,
- D is the lesser of the financial institution's percentage for the harmonized province and for the taxation year and the financial institution's percentage for the harmonized province and for the preceding taxation year, each determined in accordance with the prescribed rules that apply to that financial institution,
- E is the tax rate for the harmonized province,
- F is 5%,
- G is the number of days in the particular reporting period after June 2010, and
- H is the number of fiscal quarters ending on or after July 1, 2010 and in the particular reporting period, and
- B is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act;

(b) the amount determined by the formula

$$A + (B/4)$$

where

A is the total of all amounts, each of which is determined, for a harmonized province, by the formula

$$[C \times D \times (E/F) \times (G/365)]/H$$

where

- C is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act,
- D is the financial institution's percentage for the harmonized province and for the preceding taxation year, determined in accordance with the prescribed rules that apply to that financial institution,
- E is the tax rate for the harmonized province,
- F is 5%,
- G is the number of days in the particular reporting period after June 2010, and
- H is the number of fiscal quarters ending on or after July 1, 2010 and in the particular reporting period, and

B is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act;

(c) the lesser of

- (i) 1/4 of the amount determined under paragraph 237(2)(a) of the Act, and
- (ii) the amount determined by the formula

$$A + B + (C/4)$$

where

A is the total of all amounts, each of which is determined, for a harmonized province, by the formula

$$[(D - E) \times F \times (G/H) \times (I/365)] - J/K$$

where

D is the total of

(A) all tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during the particular reporting period or that was paid by the financial institution during the particular reporting period without having become payable,

(B) all amounts each of which is tax under subsection 165(1) of the Act in respect of a supply (other than a supply to which clause (C) applies) made to the financial institution that would, but for an election made under section 150 of the Act, have become payable by the financial institution during the particular reporting period, and

(C) all amounts each of which is an amount, in respect of a supply made during the particular reporting period of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under Part IX of the Act,

E is the total of

(A) all input tax credits (other than input tax credits in respect of an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) of the financial institution for the particular reporting period or preceding reporting periods of the financial institution claimed by the financial institution in the return under Division V of Part IX of the Act filed by the financial institution for the particular reporting period, and



(B) all amounts each of which would be an input tax credit of the financial institution for the particular reporting period of the financial institution in respect of property or a service if tax became payable during the particular reporting period in respect of the supply of the property or service equal to the amount included for the particular reporting period under clause (B) or (C) of the description of D in respect of the supply,

F is the lesser of the financial institution's percentage for the harmonized province and for the taxation year and the financial institution's percentage for the harmonized province and for the preceding taxation year, each determined in accordance with the prescribed rules that apply to that financial institution,

G is the tax rate for the harmonized province,

H is 5%,

I is the number of days in the particular reporting period after June 2010,

J is the total of

(A) all tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) under subsection 165(2) of the Act in respect of supplies made in the harmonized province to the financial institution or under section 212.1 of the Act in respect of goods imported by the financial institution for use in the harmonized province that became payable by the financial institution during the fiscal quarter or that was paid by the financial institution during the fiscal quarter without having become payable, and

(B) all amounts each of which is an amount, in respect of a supply made during the fiscal quarter of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax payable by the other person under any of subsection 165(2), sections 212.1 or 218.1 or Division IV.1 of Part IX of the Act that is included in the cost to the other person of supplying the property or service to the financial institution, and

K is the number of fiscal quarters ending on or after July 1, 2010 and in the particular reporting period,

B is the total of all amounts that became collectible and all other amounts collected by the financial institution in the fiscal quarter as or on account of tax under subsection 165(2) of the Act, and

C is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act; or

(d) the amount determined by the formula

$$A + B + (C/4)$$

where

A is the total of all amounts, each of which is determined, for a harmonized province, by the formula

$$[(D - E) \times F \times (G/H) \times (I/365)] - J/K$$

where

D is the total of

(i) all tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) that became payable under any of subsection 165(1) and sections 212, 218 and 218.01 of the Act by the financial institution during a reporting period (in this paragraph referred to as the “earlier reporting period”) of the financial institution ending in the 12-month period preceding the particular reporting period or that was paid by the financial institution during the earlier reporting period without having become payable,

(ii) all amounts each of which is tax under subsection 165(1) of the Act in respect of a supply (other than a supply to which subparagraph (iii) applies) made to the financial institution that would, but for an election made under section 150 of the Act, have become payable by the financial institution during the earlier reporting period, and

(iii) all amounts each of which is an amount, in respect of a supply made during the earlier reporting period of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax calculated on the cost to the other person of supplying the property or service to the financial institution excluding any remuneration to employees of the other person, the cost of financial services and tax under Part IX of the Act,

E is the total of

(i) all input tax credits (other than input tax credits in respect of an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) of the financial institution for the earlier reporting period or preceding reporting periods of the financial institution claimed by the financial institution in the return under Division V of Part IX of the Act filed by the financial institution for the earlier reporting period, and

(ii) all amounts each of which would be an input tax credit of the financial institution for the earlier reporting period of the financial institution in respect of property or a service if tax became payable during the earlier reporting period in respect of the supply of the property or service equal to the amount included for the earlier reporting period under subparagraph (ii) or (iii) of the description of D in respect of the supply,

F is the financial institution's percentage for the harmonized province and for the preceding taxation year, determined in accordance with the prescribed rules that apply to that financial institution,

G is the tax rate for the harmonized province,

H is 5%,

I is the number of days in the particular reporting period after June 2010,

J is the total of

(i) all tax (other than an amount of tax that is prescribed under any of sections 42 and 60 and paragraph 58(2)(a) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*) under subsection 165(2) of the Act in respect of supplies made in the harmonized province to the financial institution or under section 212.1 of the Act in respect of goods imported by the financial institution for use in the harmonized province that became payable by the financial institution during the fiscal quarter or that was paid by the financial institution during the fiscal quarter without having become payable, and

(ii) all amounts each of which is an amount, in respect of a supply made during the fiscal quarter of property or a service to which an election made by the financial institution and another person under subsection 225.2(4) of the Act applies, equal to tax payable by the other person under any of subsection 165(2), sections 212.1 or 218.1 or Division IV.1 of Part IX of the Act that is included in the cost to the other person of supplying the property or service to the financial institution, and

K is the number of fiscal quarters ending on or after July 1, 2010 and in the particular reporting period,

B is the total of all amounts that became collectible and all other amounts collected by the financial institution in the fiscal quarter as or on account of tax under subsection 165(2) of the Act, and

C is the financial institution's instalment base for the particular reporting period determined under paragraph 237(2)(b) of the Act as if the financial institution were not a selected listed financial institution and tax were not imposed under any of subsection 165(2), sections 212.1 and 218.1 and Division IV.1 of Part IX of the Act.

Information requirements

(4) For the purposes of this section, subsections 169(4) and (5) and 223(2) of the Act apply with respect to any amount that is included in the description of J in paragraphs (3)(c) and (d) as if that amount were an input tax credit.

Exclusions

(5) No amount of tax paid or payable by a selected listed financial institution in respect of property or services acquired, imported or brought into a harmonized province otherwise than for consumption, use or supply in the course of an endeavour, as defined in subsection 141.01(1) of the Act, of the financial institution is to be included in determining the instalment to be paid by the financial institution under subsection (3).

### PART 3

#### NEW HARMONIZED VALUE-ADDED TAX SYSTEM REGULATIONS, NO. 2

#### 4. Section 1 of the *New Harmonized Value-added Tax System Regulations, No. 2* is replaced by the following:

Definitions

1. The following definitions apply in these Regulations.

“Act”  
« Loi »

“Act” means the *Excise Tax Act*.

“provincial investment plan”  
« régime de placement provincial »

“provincial investment plan” for a particular province means a financial institution described in section 12 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, the units of which are permitted, under the laws of Canada or a province, to be sold in the particular province.

“provincial series”  
« série provinciale »

“provincial series” of a financial institution for a particular province means a provincial series of the financial institution, as defined in subsection 1(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, the units of which are permitted, under the laws of Canada or a province, to be sold in the particular province.

“stratified investment plan”  
« régime de placement stratifié »

“stratified investment plan” has the same meaning as in subsection 1(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.

“unit”  
« unité »

“unit” has the same meaning as in subsection 1(1) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.

#### 5. Section 2 of the Regulations is amended by adding the following after subsection (2):

Permanent establishment in a province — provincial series

(3) For the purposes of subsection 132.1(3) of the Act, a stratified investment plan with one or more provincial series is a prescribed person and is deemed, for each province in respect of which the investment plan has a provincial series, to have a permanent establishment in the province for the purpose of applying subsection 132.1(1) of the Act for the purpose of section 218.1 and Division IV.1 of Part IX of the Act.

Permanent establishment in a province — provincial investment plan

(4) For the purposes of subsection 132.1(3) of the Act, a financial institution that is a provincial investment plan for a province is a prescribed person and is deemed to have a permanent establishment in the province for the purpose of applying subsection 132.1(1) of the Act for the purpose of section 218.1 and Division IV.1 of Part IX of the Act.

#### 6. Section 7 of the Regulations is replaced by the following:

Prescribed purposes and extent — Paragraph 218.1(1)(a)

7. For the purposes of paragraph 218.1(1)(a) of the Act,

(a) a prescribed purpose in respect of a supply of property or a service made to a stratified investment plan with one or more provincial series is the purpose of consuming, using or supplying the property or service in the course of activities relating to one or more provincial series of the investment plan for the participating provinces to an extent (expressed

as a percentage) of at least 10%, where that extent (expressed as a percentage) is determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the investment plan for a participating province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, and

B is the total of all amounts, each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the investment plan for any province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*;

(b) a prescribed purpose in respect of a supply of property or a service made to a provincial investment plan is the purpose of consuming, using or supplying the property or service in the course of the activities of the provincial investment plan; and

(c) the prescribed extent is an extent of at least 10%.

Prescribed  
percentage —  
Subsection  
218.1(1)

**7.1** For the purposes of applying the description of C in paragraph 218.1(1)(a) of the Act and clause (B) of the description of C in paragraph 218.1(1)(b) of the Act in the determination, pursuant to one of those paragraphs, of an amount of tax in respect of a particular participating province,

(a) the prescribed percentage in respect of a supply of property or a service made to a stratified investment plan with one or more provincial series is the total of all amounts, each of which is the extent (expressed as a percentage) to which the property or service was acquired for consumption, use or supply in the course of activities relating to a provincial series of the investment plan for the particular participating province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*;

(b) the prescribed percentage in respect of a supply of property or a service made to a provincial investment plan for the particular participating province is 100%; and

(c) the prescribed percentage in respect of a supply of property or a service made to a provincial investment plan for a province other than the particular participating province is 0%.

Prescribed  
percentage —  
Paragraph  
218.1(1.2)(a)

**7.2** For the purposes of applying the description of A<sub>2</sub> in the second formula in paragraph 218.1(1.2)(a) of the Act, the description of B<sub>2</sub> in the third formula in paragraph 218.1(1.2)(a) of the Act and the description of D in paragraph 218.1(1.2)(b) of the Act in the determination, pursuant to subsection 218.1(1.2) of the Act, of an amount of tax in respect of a particular participating province,

(a) the prescribed percentage in respect of an internal charge, as defined in subsection 217.1(4) of the Act, or an external charge or qualifying consideration, as those terms are

defined in section 217 of the Act, for a specified year of a stratified investment plan with one or more provincial series is

(i) in the case of an internal charge, the total of all amounts, each of which is the extent (expressed as a percentage) to which the internal charge is attributable to outlays or expenses that were made or incurred to consume, use or supply the whole or part of property or of a qualifying service, as defined in that section, in respect of which the internal charge is attributable, in carrying on, engaging in or conducting an activity of the investment plan relating to a provincial series of the investment plan for the particular participating province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*,

(ii) in the case of an external charge, the total of all amounts, each of which is the extent (expressed as a percentage) to which the whole or part of the outlay or expense, which corresponds to the external charge, was made or incurred to consume, use or supply the whole or part of property or of a qualifying service, as defined in that section, in respect of which the external charge is attributable, in carrying on, engaging in or conducting an activity of the investment plan relating to a provincial series of the investment plan for the particular participating province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, and

(iii) in the case of qualifying consideration, the total of all amounts, each of which is the extent (expressed as a percentage) to which the whole or part of the outlay or expense, which corresponds to the qualifying consideration, was made or incurred to consume, use or supply the whole or part of property or of a qualifying service, as defined in that section, in respect of which the qualifying consideration is attributable, in carrying on, engaging in or conducting an activity of the investment plan relating to a provincial series of the investment plan for the particular participating province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*;

(b) the prescribed percentage in respect of an internal charge, as defined in subsection 217.1(4) of the Act, or an external charge or qualifying consideration, as those terms are defined in section 218 of the Act, for a specified year of a provincial investment plan for the particular participating province is 100%; and

(c) the prescribed percentage in respect of an internal charge, as defined in subsection 217.1(4) of the Act, or an external charge or qualifying consideration, as those terms are defined in section 218 of the Act, for a specified year of a provincial investment plan for a province other than the particular participating province is 0%.

**7. The description of C in section 13 of the Regulations is replaced by the following:**

C is

(a) if the recipient is a stratified investment plan with one or more provincial series, the total of all amounts, each of which is the extent (expressed as a percentage) to which the recipient acquired the property or service for consumption, use or supply in the course of activities relating to a provincial series of the financial institution for the particular participating province, as determined in accordance with section 54 of

the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*;

(b) if the recipient is a provincial investment plan for the participating province, 100%;

(c) if the recipient is a provincial investment plan for a province other than the participating province, 0%; and

(d) in any other case, the extent (expressed as a percentage) to which the recipient acquired the property or service for consumption, use or supply in the participating province.

**8. The Regulations are amended by adding the following after section 13:**

**13.1** For the purposes of subsection 220.08(1) of the Act,

(a) a prescribed purpose in respect of a supply of property or a service made to a selected listed financial institution that is a stratified investment plan with one or more provincial series is the purpose of consuming, using or supplying the property or service in the course of activities relating to one or more of those provincial series; and

(b) a prescribed purpose in respect of a supply of property or a service made to a provincial investment plan is the purpose of consuming, using or supplying the property or service in the course of the activities of the provincial investment plan.

**9. Paragraph 15(a) of the Regulations is replaced by the following:**

(a) the person is neither a stratified investment plan with one or more provincial series nor a provincial investment plan and the extent to which the person acquired the property or service for consumption, use or supply in participating provinces that, at the particular time, have a tax rate that is greater than the provincial rate for the particular province is less than 10%;

(a.1) the person is a stratified investment plan with one or more provincial series and the extent to which the person acquired the property or service for consumption, use or supply in the course of activities relating to one or more provincial series of the investment plan for participating provinces having a tax rate that is greater than the provincial rate for the particular province is less than 10%, where that extent (expressed as a percentage) is determined by the formula

$$A/B$$

where

A is the total of all amounts, each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the investment plan for a participating province having a tax rate that is greater than the provincial rate for the particular province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, and

B is the total of all amounts, each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a

Prescribed  
purposes —  
Subsection  
220.08(1)

provincial series of the investment plan for any province, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*; or

**10. The Regulations are amended by adding the following after section 21:**

Prescribed  
person —  
Subsection  
261.31(2)

**21.1** (1) For the purposes of subsection 261.31(2) of the Act, a selected listed financial institution that is a stratified investment plan with one or more provincial series is a prescribed person.

Prescribed  
amount —  
Subsection  
261.31(2)

(2) For the purposes of subsection 261.31(2) of the Act, the amount of a rebate payable under that subsection to a person where tax under subsection 165(2) or section 212.1 or 218.1 of the Act or Division IV.1 of Part IX of the Act becomes payable by the person at a particular time is equal to

- (a) if the person is a stratified investment plan with one or more provincial series,
- (i) if the tax is payable under subsection 165(2) of the Act in respect of a supply of property or a service, the total of all amounts, each of which is determined for a provincial series of the person by the formula

$$(A - B) \times C$$

where

A is the amount of that tax,

B is

(A) if the provincial series is for a participating province, the amount of tax that would have become payable under subsection 165(2) of the Act in respect of the supply at the particular time if that tax were calculated at the tax rate for that province, and

(B) in any other case, zero, and

C is the extent (expressed as a percentage) to which the property or service was acquired for consumption, use or supply in the course of the activities relating to the provincial series, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*,

(ii) if the tax is payable under section 212.1 or 218.1 or subsection 220.06(1) of the Act in respect of tangible personal property, the total of all amounts, each of which is determined for a provincial series of the person by the formula

$$(D - E) \times F$$

where

D is the amount of that tax,

E is

(A) if the provincial series is for a participating province, the amount of tax that would have become payable under that section or subsection in respect of the property at the particular time if that tax were calculated at the tax rate for that province, and



(B) in any other case, zero, and

F is the extent (expressed as a percentage) to which the tangible personal property was acquired or imported for consumption, use or supply in the course of the activities relating to the provincial series, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*,

(iii) if the tax is payable under subsection 220.05(1) or 220.07(1) of the Act in respect of bringing tangible personal property into a particular participating province, the total of all amounts, each of which is determined for a provincial series of the person by the formula

$$(G - H) \times I$$

where

G is the amount of that tax,

H is

(A) if the provincial series is for the particular participating province, the amount of that tax,

(B) if the provincial series is for a participating province other than the particular participating province, the amount of tax that would have become payable under that subsection in respect of the bringing in of the property if the property were brought into the particular province, and

(C) in any other case, zero, and

I is the extent (expressed as a percentage) to which the property was brought into the particular participating province for consumption, use or supply in the course of the activities relating to the provincial series, as determined in accordance with section 54 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, and

(iv) in any other case, zero;

(b) if the person is a provincial investment plan,

(i) if the tax is payable under subsection 165(2) of the Act in respect of a supply of property or a service, the amount determined by the formula

$$A - B$$

where

A is the amount of that tax, and

B is

(A) if the person is a provincial investment plan for a participating province, the amount of tax that would have become payable under subsection 165(2) of the Act in respect of the supply at the particular time if that tax were calculated at the tax rate for that province, and

(B) in any other case, zero,

(ii) if the tax is payable under section 212.1 or 218.1 or subsection 220.06(1) of the Act in respect of tangible personal property, the amount determined by the formula

$$C - D$$

where

C is the amount of that tax, and

D is

(A) if the person is a provincial investment plan for a participating province, the amount of tax that would have become payable under that section or subsection in respect of the property at the particular time if that tax were calculated at the tax rate for that province, and

(B) in any other case, zero,

(iii) if the tax is payable under subsection 220.05(1) or 220.07(1) of the Act in respect of bringing tangible personal property into a particular participating province, the amount determined by the formula

$$E - F$$

where

E is the amount of that tax,

F is

(A) if the person is a provincial investment plan for the particular participating province, the amount of that tax,

(B) if the person is a provincial investment plan for a participating province other than the particular participating province, the amount of tax that would have become payable under that subsection in respect of the bringing in of the property if the property were brought into the particular province, and

(C) in any other case, zero, and

(iv) in any other case, zero; and

(c) in any other case,

(i) if the tax is payable under subsection 165(2) of the Act in respect of a supply of property or a service, the amount determined by the formula

$$A - B$$

where

A is the amount of that tax, and

B is the total of all amounts, each of which is determined for a participating province by the formula

$$C \times D$$

where

C is the amount of tax that would have become payable under subsection 165(2) of the Act in respect of the supply at the particular time if that tax were calculated at the tax rate for the participating province, and

D is the extent (expressed as a percentage) to which the person may reasonably be regarded as holding or investing funds for the benefit of persons that are resident in the participating province, and

(ii) if the tax is payable under section 212.1 or 218.1 or subsection 220.06(1) of the Act in respect of tangible personal property, the amount determined by the formula

$$E - F$$

where

E is the amount of that tax, and

F is the total of all amounts, each of which is determined for a participating province by the formula

$$G \times H$$

where

G is the amount of tax that would have become payable under that section or subsection in respect of the property at the particular time if that tax were calculated at the tax rate for the participating province, and

H is the extent (expressed as a percentage) to which the person may reasonably be regarded as holding or investing funds for the benefit of persons that are resident in the participating province,

(iii) where the tax is payable under section 218.1 or subsection 220.08(1) of the Act in respect of a supply of intangible personal property or a service on an amount of consideration for the supply, the amount determined by the formula

$$I - J$$

where

I is the amount of that tax, and

J is the total of all amounts, each of which is determined for a participating province by the formula

$$K \times L$$

where

K is the amount of tax that would have become payable under that section or subsection in respect of the supply at the particular time if the supply were acquired by the person for consumption, use or supply exclusively in the participating province, and

L is the extent (expressed as a percentage) to which the person may reasonably be regarded as holding or investing funds for the benefit of persons that are resident in the participating province, and

(iv) if the tax is payable under subsection 220.05(1) or 220.07(1) of the Act in respect of bringing tangible personal property into a particular participating province, the amount determined by the formula

$$M - N$$

where

M is the amount of that tax, and

N is the total of all amounts, each of which is determined for a participating province by the formula

$$O \times P$$

where

O is the amount of tax that would have become payable under that subsection in respect of the bringing in of the property if the property were brought into the participating province, and

P is the extent (expressed as a percentage) to which the person may reasonably be regarded as holding or investing funds for the benefit of persons that are resident in the participating province.

Prescribed amount — subsection 263.01(4)

(3) For the purposes of subsection 263.01(4) of the Act, an amount of tax that becomes payable by a person referred to in subsection (1), or that is paid by the person without having become payable, in respect of a supply that is acquired in whole or in part for consumption, use or supply in the course of activities related to a provincial series of the person is a prescribed amount of tax.

**11. Paragraph 22(b) of the Regulations is replaced by the following:**

(b) the total of all amounts, each of which is an amount of a rebate for which the person is otherwise eligible under any of sections 261.1 to 261.31 of the Act and in respect of which the rebate application is made, is at least \$25.

**12. Paragraph 27(13)(b) of the Regulations is repealed.**

**13. Section 31 of the Regulations is amended by adding the following after subsection (6):**

Selected listed financial institutions

(6.1) Despite subsections (2) to (5), no amount is to be added to the net tax of a person for a reporting period of the person as a consequence of those subsections in respect of a specified provincial input tax credit of the person in respect of an amount of tax that becomes payable by the person while the person is a selected listed financial institution unless the amount of tax

(a) is deemed to have been paid by the person under subsection 171(1) or 171.1(2) of the Act; or

(b) is prescribed for the purposes of paragraph 169(3)(c) of the Act or paragraph (a) of the description of F in subsection 225.2(2) of the Act.

## PART 4

### ELECTRONIC FILING AND PROVISION OF INFORMATION (GST/HST) REGULATIONS

**14. Section 4 of the *Electronic Filing and Provision of Information (GST/HST) Regulations* is replaced by the following:**

Prescribed return **4.** For the purposes of section 284.01 of the Act, a prescribed return for a reporting period of a person is

(a) a return for the reporting period that is required to be filed by way of electronic filing in accordance with subsection 278.1(2.1) of the Act; or

(b) if the person is a selected listed financial institution, a return under Division V of Part IX of the Act for the reporting period.

**15. Section 5 of the Regulations is amended by adding the following after subsection (3):**

Recaptured input tax credits — selected listed financial institutions (4) For the purposes of section 284.01 of the Act, if, under paragraph 49(d) of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, a person is required to add a positive amount or deduct a negative amount in determining the person's net tax for a reporting period, that amount is a prescribed amount in respect of a specified return for the reporting period.

**16. The portion of section 7 of the Regulations before paragraph (a) is replaced by the following:**

Penalty amount — sections 5 and 6 **7.** The penalty under section 284.01 of the Act in respect of a particular amount that is in respect of a specified return for a particular reporting period of a person and that is prescribed, for the purposes of that section, by subsection 5(3) or (4) or section 6 is equal to the sum of

## PART 5

### FINANCIAL SERVICES (GST/HST) REGULATIONS

**17. The long title of the *Financial Services (GST/HST) Regulations* is replaced by the following:**

Financial Services and Financial Institutions (GST/HST) Regulations

**18. The Regulations are amended by adding the following after section 4:**

PREScribed QUALIFYING TAXPAYER FOR DIVISION IV OF PART IX OF THE ACT

**5.** For the purposes of subparagraph 217.1(1)(b)(iv) of the Act, a non-resident trust is a prescribed person if the total value of the assets of the trust in which one or more persons resident in Canada have a beneficial interest is

(a) equal to or greater than \$10,000,000; and

(b) equal to or greater than 10% of the total value of the assets of the trust.

PRESCRIBED PERSON FOR SECTION 273.2 OF THE ACT

6. Selected listed financial institutions that are investment plans, as defined in subsection 1(1) of the *Selected Listed Financial Institution Attribution Method (GST/HST) Regulations*, are prescribed for the purposes of subsection 273.2(2) of the Act.

**PART 6**

**AMALGAMATIONS AND WINDINGS-UP CONTINUATION (GST/HST)  
REGULATIONS**

19. The schedule to the *Amalgamations and Windings-Up Continuation (GST/HST) Regulations* is amended by adding the following in numerical order:  
Section 225.2

**PART 7**

**APPLICATION**

20. Sections 1, 12 and 13, Part 4 and sections 1 to 3, paragraphs 4(a) and (d) to (f) and sections 5 to 21, 23, 24, 26 and 28 to 65 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, as enacted by section 2, apply in respect of a reporting period of a person that ends on or after July 1, 2010, except that

(a) in determining if an investment plan is a qualifying small investment plan for a particular fiscal year that begins on or before ANNOUNCEMENT DATE in accordance with section 9 of those Regulations, as enacted by section 2, the formula in subsection 9(1) of those Regulations is to be read without reference to paragraph (b) of the description of A;

(b) no person is liable to a penalty under subsection 55(8) or (9) of those Regulations, as enacted by section 2, in respect of information that is required to be provided to an investment plan on or before the day on which these Regulations are published in the *Canada Gazette*, Part II; and

(c) no person is liable to a penalty the amount of which is determined under section 7 of the *Electronic Filing and Provision of Information (GST/HST) Regulations* in respect of a particular amount that is

(i) in respect of a specified return for a reporting period that is filed before the day on which these Regulations are published in the *Canada Gazette*, Part II; and

(ii) prescribed, for the purposes of section 284.01 of the *Excise Tax Act*, by subsection 5(4) of those Regulations, as enacted by section 15.

21. Paragraphs 4(b) and (c) and sections 22, 25 and 27 of the *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*, as enacted by section 2, apply in respect of a reporting period in a fiscal year of a person that begins on or after July 1, 2010.

22. Part 2, sections 4, 5, 11 and 17 and Part 6 are deemed to have come into force on July 1, 2010.

23. Sections 6 to 10 apply

**(a) to any supply made on or after July 1, 2010; and**

**(b) in respect of any consideration for a supply that becomes due, or is paid without having become due, on or after July 1, 2010.**

**24. Section 5 of the *Financial Services (GST/HST) Regulations*, as enacted by section 18, applies in respect of any specified year, as defined in section 217 of the *Excise Tax Act*, of a person that begins on or after July 1, 2010.**

**25. Section 6 of the *Financial Services (GST/HST) Regulations*, as enacted by section 18, applies in respect of any fiscal year of a person that ends on or after July 1, 2010.**