

LEGISLATIVE PROPOSALS RELATING TO LABOUR-SPONSORED VENTURE
CAPITAL CORPORATIONS

1. (1) The portion of subsection 204.81(8.3) of the *Income Tax Act* before paragraph (a) is replaced by the following:

Transitional
rules

(8.3) If a registered labour-sponsored venture capital corporation notifies the Minister in writing of its intent to revoke its registration under this Part, the following rules apply:

(2) Subsection (1) comes into force on Announcement Date.

2. (1) Paragraph 204.85(3)(d) of the Act is amended by striking out “or” at the end of subparagraph (iv), by adding “or” at the end of subparagraph (v) and by adding the following after subparagraph (v):

(vi) immediately before the amalgamation or merger, one or more of the predecessor corporations is a corporation that has given notification under subsection 204.81(8.3) and one or more of the predecessor corporations is a registered labour-sponsored venture capital corporation that has not given notification under that subsection;

(2) Subsection (1) comes into force on Announcement Date.

3. (1) Section 6708 of the *Income Tax Regulations* is replaced by the following:

6708. (1) For the purposes of paragraph 204.8(2)(b), section 27.2 of the *Community Small Business Investment Funds Act, 1992*, S.O. 1992, c. 18, is a prescribed wind-up rule.

(2) Subsection (1) comes into force on Announcement Date.