



ELECTION OR REVOCATION FOR A QUALIFYING SMALL INVESTMENT PLAN TO BE TREATED AS A SELECTED LISTED FINANCIAL INSTITUTION

Use this form if you are, or reasonably expect to be, a qualifying small investment plan as described on page 3 and you wish to elect or revoke a previous election, to be treated as a selected listed financial institution (SLFI) for purposes of the *Excise Tax Act* (ETA).

To make this election, complete Parts A, B, C, and E.

To revoke this election, complete Parts A, D, and E.

For more information, see pages 2 and 3.

This election and revocation is based on the proposed draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* issued on June 30, 2010.

Part A – Identification of the investment plan			
Name of investment plan		Business Number	
Business address		Postal code	
Contact person	Contact person's title	Telephone number for contact person	

Part B – Eligibility

You must answer **yes** to the following questions to be eligible to make this election. For more information regarding this part, see pages 2 and 3.

Are you, or do you reasonably expect to be, a qualifying small investment plan? Yes No

Do you meet the permanent establishment requirements to be an SLFI? Yes No

Do you confirm that you did not make an application under subsection 13(1) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* that has been approved by the Minister in respect of the fiscal year of which the election is in effect? Yes No

If you answered **yes** to all of the above questions, you may make the election to have the qualifying small investment plan be treated as an SLFI for the purposes of the ETA.

Part C – Election

Complete this part to elect to have a qualifying small investment plan be treated as an SLFI.

The investment plan identified in Part A elects under subsection 12(1) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* to be treated as an SLFI.

The first fiscal year during which the election is to be in effect: From

Year	Month	Day

 to

Year	Month	Day

Part D – Notice of revocation

Complete this part to revoke a previously made election to have the qualifying small investment plan be treated as an SLFI.

The investment plan identified in Part A revokes the election made under subsection 12(1) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* to be treated as an SLFI.

Effective date of revocation

Year	Month	Day

This election must remain in effect for a minimum of 3 years after the election became effective. For more information, see pages 2 and 3.

Part E – Certification

I, _____, certify that the information given on this form and on any attached document is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign on behalf of the investment plan identified in Part A.

(print name)

Signature of authorized person that represents the investment plan	Title	Year	Month	Day

General information

Who should complete this form?

Use this form if you are, or reasonably expect to be, a qualifying small investment plan and you want to elect or you want to revoke the election for a qualifying small investment plan to be treated as a selected listed financial institution (SLFI).

What is the effect of this election?

While the election is in effect, a qualifying small investment plan that has a permanent establishment (PE) in a participating province and a PE in any other province at any time during the taxation year will be treated as an SLFI throughout a reporting period that ends in the taxation year. The election remains in effect until the day that is the earliest of the first day of the first fiscal year for which the person does not meet this PE test or is no longer an investment plan, and the day on which a revocation of the election becomes effective (as discussed below).

How do I make this election?

To make this election you have to complete Parts A, B, C, and E of this form and file it with the Minister on or before the first day of the first fiscal year in which the election becomes effective.

Who is eligible to make this election?

To be eligible to be treated as an SLFI, you must meet the following requirements:

- a) you must be an investment plan that is not a distributed investment plan;
- b) you must have an unrecoverable tax amount of \$10,000 or less in your immediately preceding fiscal year. This amount is pro-rated where the number of days in the immediately preceding fiscal year is less than 365. For new investment plans, the threshold calculation is based on the unrecoverable tax amount for each reporting period in the first fiscal year, pro-rated according to the number of days in the reporting period;
- c) you must have a PE in a participating province and a PE in any other province at any time during the taxation year; and
- d) you must not have an approved application under subsection 13(1) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.

Note

For a particular fiscal year, if a qualifying small investment plan was an SLFI and not a qualifying small investment plan for either one of its two immediately preceding fiscal years, and was not an SLFI throughout its third immediately preceding fiscal year, it could not elect to be an SLFI, as it would be an SLFI as subparagraph 11(1)(b)(i) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* would apply. However, subparagraph 11(1)(b)(i) of the draft *Regulations* is subject to section 13 of the draft *Regulations*. If an application under section 13 of the draft *Regulations* has been authorized and is in effect for a particular fiscal year to not have subparagraph 11(1)(b)(i) of the draft *Regulations* apply, the qualifying small investment plan would not be an SLFI and would not be eligible to elect to be treated as an SLFI. For more information regarding an application by a qualifying small investment plan for authorization not to have subparagraph 11(1)(b)(i) of the draft *Regulations* apply, see Form RC4612, *Application to not be Considered a Selected Listed Financial Institution*.

How do I revoke this election?

To revoke a previous election, complete Parts A, D, and E of this form. Before you can revoke this election, it must generally remain in effect for a minimum of 3 years. A revocation of this election is effective on the first day of the fiscal year of the qualifying small investment plan.

Definitions

Distributed investment plan – means an investment plan (as described below) 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.

Investment plan for purposes of this election – means a listed financial institution described in subparagraph 149(1)(a)(vi) (i.e., a segregated fund of an insurer) or (ix) (i.e., an investment plan for purposes of section 149) of the ETA, other than a trust governed by a registered retirement savings plan, a registered retirement income fund or a registered education savings plan.

Investment plan – means, for purposes of section 149 of the ETA:

- (a) a trust governed by
 - (i) a registered pension plan,
 - (ii) an employees profit sharing plan,
 - (iii) a registered supplementary unemployment benefit plan,
 - (iv) a registered retirement savings plan,
 - (v) a deferred profit sharing plan,
 - (vi) a registered education savings plan,
 - (vii) a registered retirement income fund,
 - (viii) an employee benefit plan,
 - (ix) an employee trust,
 - (x) a mutual fund trust,
 - (xi) a pooled fund trust,
 - (xii) a unit trust, or
 - (xiii) a retirement compensation arrangement,as each of those terms is defined for the purposes of the *Income Tax Act* or the *Income Tax Regulations*;
- (b) an investment corporation, as that term is defined for the purposes of that Act;
- (c) a mortgage investment corporation, as that term is defined for the purposes of that Act;
- (d) a mutual fund corporation, as that term is defined for the purposes of that Act;
- (e) a non-resident owned investment corporation, as that term is defined for the purposes of that Act;
- (f) a corporation exempt from tax under that Act by reason of paragraph 149(1)(o.1) or (o.2) of that Act; and
- (g) a prescribed person, or a person of a prescribed class, but only where the person would be a selected listed financial institution for a reporting period in a fiscal year that ends in a tax year of the person if the person were a listed financial institution included in subparagraph 149(1)(a)(ix) during the tax year and the preceding tax year of the person. An employee life and health trust is proposed to be a prescribed person.

Non-participating province – means a province, territory, or any other area in Canada that is outside the participating provinces.

Participating province – means the province of British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, or Ontario, but does not include the Nova Scotia offshore area or the Newfoundland offshore area except to the extent that offshore activities are carried on in that area.

Pension entity of a pension plan – means an investment plan that is a person in respect of the plan referred to in paragraph (a) of the definition "pension plan" (as defined on page 3), a corporation referred to in paragraph (b) of that definition, or a prescribed person. Essentially, a pension entity is either a trust described in paragraph 149(1)(o) of the *Income Tax Act*, a corporation described in paragraph 149(1)(o.1) of that Act, or a prescribed person, which could, for example, be a person that is deemed to be a trust or a corporation for the purposes of those paragraphs.

Pension plan – means a registered pension plan (as defined in subsection 248(1) of the *Income Tax Act*):

- a) that governs a person that is a trust or that is deemed to be a trust for the purposes of that Act; or
- b) in respect of which a corporation is:
 - incorporated and operated either (A) solely for the administration of the registered pension plan, or (B) for the administration of the registered pension plan and for no other purpose other than acting as trustee of, or administering, a trust governed by a retirement compensation arrangement (as defined in subsection 248(1) of the *Income Tax Act*), where the terms of the arrangement provide for benefits only in respect of individuals who are provided with benefits under the registered pension plan; and
 - accepted by the Minister, under subparagraph 149(1)(o.1)(ii) of the *Income Tax Act*, as a funding medium for the purpose of the registration of the registered pension plan; or
- c) in respect of which a person is prescribed for the purposes of the definition "pension entity" on page 2.

Permanent establishment for purposes of section 1 of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* – 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. A financial institution can also have a permanent establishment in a province if it meets the requirements set out in section 1 of the draft *Regulations*. In very general terms, this would be a fixed place of business in the province.

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

Qualifying small investment plan for a particular fiscal year – is an investment plan (other than a distributed investment plan) if:

- a) where 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 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; or

- 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 an 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.

Segregated fund of an insurer – means a specified group of properties that is held in respect of insurance policies all or part of the reserves for which vary in amount depending on the fair market value of the properties.

Selected listed financial institution (SLFI) – a financial institution would generally be treated as an SLFI throughout a reporting period in a fiscal year that ends in a particular taxation year of the financial institution if it is a listed financial institution described in any of subparagraphs 149(1)(a)(i) to (x) of the ETA at any time during the particular taxation year, and the financial institution has a permanent establishment in a participating province and a permanent establishment in any other province, at any time during the taxation year.

Note

It is proposed that the definition of what constitutes a permanent establishment be expanded.

Unrecoverable tax amount for a reporting period of a person – means the amount determined by the formula **A – B**.

where:

A and **B** are the total of all amounts, each of which is an amount that would be included in the total of Element A and the total of Element B respectively in subsection 225.2(2) of the ETA (without reference to any adaptation made under Part 5 of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* for the reporting period, if the person were an SLFI throughout the reporting period).

Filing instructions

Send this completed form to your tax centre.

What if you need help?

For more information about this form, call **1-800-959-8287**.