

Election or Revocation of an Election to Have Certain Taxable Supplies Made Between Specified Members Deemed Made for No Consideration

This form is to be completed by the specified members of a qualifying group of closely related corporations or qualifying or Canadian partnerships that wish to jointly elect to have the taxable supplies made between specified members of the qualifying group deemed to have been made for no consideration. This form can also be used to revoke such an election.

The specified members of a qualifying group for which an election was in effect before January 1, 2015, and is still in effect on that date must make another election using this form and send it to us so that, as of January 1, 2015, certain taxable supplies made between them can be deemed made for no consideration.

Indicate why this form is being filed. **Election** **Revocation**

If you are making or revoking an election with respect to

- the QST, complete Part 1 and section 3.1;
- the GST/HST, complete Part 2 and section 3.2;
- the GST/HST and QST, complete parts 1, 2 and 3.

Before completing this form, be sure to read the information on pages 5 to 7.

If you need more space, enter the requested information on a photocopy of page 2 or 3 (or both) and enclose it with the completed form you send us.

1 Information about the specified members making or revoking an election with respect to the QST

GST account number _____ R, T _____	Québec enterprise number (NEQ) _____	Identification number _____ T, Q _____
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<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.1: from <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> to <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u> <u> </u>
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Name			
Business name (if different from above)			
Mailing address			Postal code _____
Contact person _____	Title _____	Area code _____	Telephone _____

Certification			
The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration.			
In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax.			
I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.			
_____ Name of authorized person (please print)	_____ Title of authorized person	_____ Signature of authorized person	_____ Date

1 Information about the specified members making or revoking an election with respect to the QST (continued)

GST account number	Québec enterprise number (NEQ)	Identification number	File
_____ R, T _____	_____ _____ _____	_____ _____ _____	_____ T, Q _____

<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.1: from _____ Y _____ M _____ D to _____ Y _____ M _____ D
Name	
Business name (if different from above)	
Mailing address	
Postal code _____	
Contact person _____	Title _____
Area code _____	Telephone _____
Certification	
The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration.	
In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax.	
I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.	

Name of authorized person (please print)	Title of authorized person
Signature of authorized person	Date

GST account number	Québec enterprise number (NEQ)	Identification number	File
_____ R, T _____	_____ _____ _____	_____ _____ _____	_____ T, Q _____

<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.1: from _____ Y _____ M _____ D to _____ Y _____ M _____ D
Name	
Business name (if different from above)	
Mailing address	
Postal code _____	
Contact person _____	Title _____
Area code _____	Telephone _____
Certification	
The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration.	
In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax.	
I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.	

Name of authorized person (please print)	Title of authorized person
Signature of authorized person	Date

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2 Information about the specified members making or revoking an election with respect to the GST/HST

GST account number **R T** Québec enterprise number (NEQ) Identification number File **T Q**

<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.2: from <input type="text"/> Y <input type="text"/> M <input type="text"/> D to <input type="text"/> Y <input type="text"/> M <input type="text"/> D		
Name <input type="text"/>			
Business name (if different from above) <input type="text"/>			
Mailing address <input type="text"/>			Postal code <input type="text"/>
Contact person <input type="text"/>	Title <input type="text"/>	Area code <input type="text"/>	Telephone <input type="text"/>
Certification The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration. In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax. I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.			
_____ Name of authorized person (please print)		_____ Title of authorized person	_____ Signature of authorized person
_____ Date			

GST account number **R T** Québec enterprise number (NEQ) Identification number File **T Q**

<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.2: from <input type="text"/> Y <input type="text"/> M <input type="text"/> D to <input type="text"/> Y <input type="text"/> M <input type="text"/> D		
Name <input type="text"/>			
Business name (if different from above) <input type="text"/>			
Mailing address <input type="text"/>			Postal code <input type="text"/>
Contact person <input type="text"/>	Title <input type="text"/>	Area code <input type="text"/>	Telephone <input type="text"/>
Certification The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration. In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax. I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.			
_____ Name of authorized person (please print)		_____ Title of authorized person	_____ Signature of authorized person
_____ Date			



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2 Information about the specified members making or revoking an election with respect to the GST/HST (continued)

GST account number	Québec enterprise number (NEQ)	Identification number	File
_ _ _ _ _ _ _ _ _ _ _ _ _ _	_ _ _ _ _ _ _ _ _ _ _ _ _ _	_ _ _ _ _ _ _ _ _ _ _ _ _ _	_ _ _ _ _ _ _ _ _ _ _ _ _ _
R, T			T, Q

<input type="checkbox"/> Qualifying member <input type="checkbox"/> Temporary member	Reporting period that includes the effective date indicated in section 3.2: from _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ to _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
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Name			
Business name (if different from above)			
Mailing address			Postal code
Contact person			Title
		Area code	Telephone

Certification

The member indicated above has made an informed choice to make or revoke an election to have certain taxable supplies made between the specified members listed in this part deemed made for no consideration.

In making such an election, this member is, in certain cases, solidarily liable with another specified member that is also making an election for the obligations resulting from either member's failure to remit or report net tax.

I certify that the information about the specified member is, to my knowledge, accurate and complete, and that I am authorized to sign on the member's behalf.

_____	_____	_____	_____
Name of authorized person (please print)	Title of authorized person	Signature of authorized person	Date

3 Election or revocation of the election

3.1 Election or revocation of the election with respect to the QST

The specified members identified in Part 1 jointly elect (or jointly revoke the election) to have certain taxable supplies made between them deemed to have been made for no consideration. Effective date of election or revocation _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
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3.2 Election or revocation of the election with respect to the GST/HST

The specified members identified in Part 2 jointly elect (or jointly revoke the election) to have certain taxable supplies made between them deemed to have been made for no consideration. Effective date of election or revocation _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
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The personal information provided on this form with respect to the GST/HST is protected under the *Privacy Act* and is maintained in Personal Information Bank CRA PPU 047.

General information

Eligibility

A specified member that is a qualifying member or a temporary member of a qualifying group may make a joint election with another specified member only if they are members of the same qualifying group. See the definitions below.

A specified member that is a corporation cannot make an election if it has already elected to have certain taxable supplies treated as supplies of financial services by filing with us form FP-2027-V, *Election or Revocation of the Election to Have Supplies Made Between Members of a Closely Related Group That Includes a Listed Financial Institution Treated as Supplies of Financial Services*.

A specified member that is a partnership and that makes an election with respect to the QST must be a "qualifying partnership" (see the definition on page 6).

A specified member that is a partnership and that makes an election with respect to the GST/HST must be a "Canadian partnership" (see the definition on page 6).

Effect of an election

The specified members of a qualifying group can jointly elect to treat certain taxable supplies made between them as having been made for no consideration.

Important

The specified members of a qualifying group for which an election was in effect prior to January 1, 2015, and is still in effect on that date must make an election again using this form and send it to us so that, as of January 1, 2015, certain taxable supplies made between them can be deemed made for no consideration.

Any specified member of a qualifying group that makes this election with the other members of the group is deemed to have made the election with each of these members separately. The election takes effect on the date indicated in Part 3.

Excluded supplies

An election to treat certain taxable supplies as having been made for no consideration does not apply to

- the taxable sale of real property (immovables);
- the taxable supply of a property or service that is not acquired for consumption, use or supply exclusively in the course of the recipient's commercial activities; or
- the supply of a property to a temporary member that is not made in anticipation of a distribution made in the course of the reorganization of a corporation.

An election respecting the QST does not apply to the supply of a property or service if

- the recipient cannot claim an input tax refund (ITR) for the property or service because of the restrictions applicable to large businesses;
- the supplier was not required to pay the QST on the property or service, or paid the QST, but claimed or was entitled to claim a rebate.

Duration of the election

A joint election made by the specified members of a qualifying group ceases to be in effect on the earlier of the following dates:

- the date on which one of the members ceases to be a specified member of the qualifying group;
- the date on which the members file a joint revocation of the election with Revenu Québec.

Solidary liability between two specified members

Two specified members that make an election are solidarily liable for the obligations resulting from either member's failure to report or remit the GST/HST and the QST relating to taxable supplies made between them. This also applies to persons who act as though an election were in effect.

Making an election

To make an election, you must complete and send us a copy of this form for the specified members of a qualifying group that are making an election.

Deadline for making an election

This form must be filed by the earliest date that GST/HST and QST returns are due, for the period that includes the effective date of the election, from all specified members making the election.

Example

Corporation X and Corporation Y are specified members of the same qualifying group and elect to treat certain taxable supplies made between them as having been made for no consideration. The election takes effect on January 1, 2015. Corporation X has a quarterly reporting period based on calendar quarters, and Corporation Y has an annual reporting period based on the calendar year. The earliest date on which either of the parties is required to file a return for the period that includes the effective date of the election is April 30, 2015, that is, the due date of the returns for Corporation X. The election form must be filed on or before April 30, 2015.

Note

Specified members for which a previous election is still in effect on January 1, 2015, must make another election by filing this form with us before January 1, 2016.

Revoking an election

To revoke an election, you must complete a copy of this form for all specified members of a qualifying group that are revoking the election and send it to us.

Deadline for revoking an election

This form must be filed by the earliest date that GST/HST and QST returns are due, for the period that includes the effective date of the revocation, from all specified members revoking the election.

Note

Specified members for which a previous election is still in effect on January 1, 2015, and who would like the revocation to take effect in 2015, must send us this duly completed form before January 1, 2016.



Effect of a revocation

Any specified member of a qualifying group that revokes an election is deemed to have revoked it with each of the members separately. The revocation will take effect on the date indicated in Part 3.

Addresses

Send this form and all related documents to one of the following addresses:

- 3800, rue de Marly, Québec (Québec) G1X 4A5
- C.P. 3000, succursale Place-Desjardins, Montréal (Québec) H5B 1A4

Additional information

For more information, visit the Revenu Québec website at www.revenuquebec.ca or call us at 514 873-4692 (Montréal area) or 418 567-4692 (Québec area), or, toll-free, at 1 800 567-4692.

Definitions

Distribution – A distribution is the direct or indirect transfer of the property of a corporation (the distributing corporation) to one or more of its shareholders (the transferee corporations), whereby each transferee corporation receives its pro rata share of each type of property owned by the distributing corporation immediately before the transfer.

Qualifying subsidiary – The following corporations are qualifying subsidiaries of a particular corporation:

- a corporation at least 90% of the value and number of the issued and outstanding shares of the capital stock of which, having full voting rights under all circumstances, is owned by the particular corporation;
- a corporation that is a qualifying subsidiary of a qualifying subsidiary of the particular corporation;
- where the particular corporation is a credit union, every other credit union;
- where the particular corporation is a member of a mutual insurance group, every other member of that group.

Qualifying group – The following are qualifying groups:

- a group of corporations, each member of which is **closely related** to every other member of the group;
- for QST purposes, a group of **qualifying** partnerships (or of corporations and qualifying partnerships) each member of which is **closely related** to every other member of the group;
- for GST/HST purposes, a group of **Canadian** partnerships (or of corporations and Canadian partnerships) each member of which is **closely related** to every other member of the group.

Qualifying member – For QST purposes, as of January 1, 2015, a qualifying member is a registrant corporation that is resident in Québec or a registrant qualifying partnership. For GST/HST purposes, a qualifying member is a registrant corporation that is resident in Canada or a registrant Canadian partnership.

A qualifying member must be a member of a qualifying group and must not have made an election to treat certain taxable supplies as supplies of financial services.

A qualifying member must also meet one of the following conditions:

- The member has property (other than financial instruments and property having a nominal value) and has last manufactured, produced, acquired, or imported all or substantially all of its property (other than financial instruments and property having a nominal value) for consumption, use, or supply exclusively in the course its commercial activities.
- The member has no property (other than financial instruments and property having a nominal value), has made supplies, and all or substantially all of the supplies made by the member are taxable supplies.
- The member has no property (other than financial instruments and property having a nominal value), has not made taxable supplies, and it is reasonable to expect that
 - the member will be making supplies throughout the next twelve months;
 - all or substantially all of these supplies will be taxable supplies; and
 - all or substantially all of the property (other than financial instruments and property having a nominal value) to be manufactured, produced, acquired, or imported by the member within the next twelve months will be for consumption, use, or supply exclusively in the course of its commercial activities.

Specified member – The following are specified members:

- a qualifying member of a qualifying group;
- a temporary member of a qualifying group.

Note

In the case of a reorganization of a distributing corporation, once the reorganization is complete, a temporary member must be a qualifying member to be considered a specified member of a qualifying group.

Temporary member – For QST purposes, a temporary member of a qualifying group is a registrant corporation that is resident in Québec. For GST/HST purposes, a temporary member of a qualifying group is a registrant corporation that is resident in Canada.

A temporary member must also meet the following conditions:

- It must be a member of the group, but not a qualifying member.
- It must not have made an election to treat certain taxable supplies as supplies of financial services.
- It must receive, from a distributing corporation that is a qualifying member of the same group, a supply of property made in anticipation of the distribution of the corporation's property made in the course of the corporation's reorganization.
- Prior to receiving the supply, it must not carry on any business or have any property (other than financial instruments).
- It must transfer its shares at the time of the distribution.

Qualifying partnership – For QST purposes, a qualifying partnership is a partnership each member of which is a corporation or partnership and is **resident in Québec**.

Note

A qualifying partnership can also be considered a Canadian partnership.

Canadian partnership – For GST/HST purposes, a Canadian partnership is a partnership each member of which is a corporation or partnership and is **resident in Canada**.



Closely related corporations

In general, two corporations are considered to be closely related if at least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of one of the corporations is owned by

- the other corporation;
- a qualifying subsidiary of the other corporation;
- a corporation of which the other corporation is a qualifying subsidiary;
- a qualifying subsidiary of a corporation of which the other corporation is a qualifying subsidiary; or
- any combination of the above-mentioned corporations or subsidiaries.

Closely related qualifying or Canadian partnerships

A particular qualifying or Canadian partnership and another qualifying or Canadian partnership are closely related if all or substantially all of the interest in the latter is held by

- the particular partnership;
- a corporation or partnership that is a member of a qualifying group of which the particular partnership is a member; or
- any combination of corporations or partnerships mentioned above.

In addition, two qualifying or Canadian partnerships are closely related if the following statements apply to either of them:

- The partnership owns at least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of a corporation that is a member of a qualifying group of which the other partnership is a member.
- The partnership holds all or substantially all of the interest in a qualifying or Canadian partnership that is a member of a qualifying group of which the other partnership is a member.

Closely related corporations and qualifying or Canadian partnerships

A particular qualifying or Canadian partnership is considered to be closely related to a particular corporation if any of the following statements apply:

- At least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of the particular corporation is owned by
 - the particular partnership;
 - a corporation or a qualifying or Canadian partnership that is a member of a qualifying group of which the particular partnership is a member; or
 - any combination of corporations or partnerships mentioned above.
- The particular partnership owns at least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of a corporation that is a member of a qualifying group of which the particular corporation is a member.
- The particular corporation owns at least 90% of the value and number of the issued and outstanding shares, having full voting rights under all circumstances, of the capital stock of a corporation that is a member of a qualifying group of which the particular partnership is a member.

- All or substantially all of the interest in the particular partnership is held by
 - the particular corporation;
 - a corporation or a qualifying or Canadian partnership that is a member of a qualifying group of which the particular corporation is a member; or
 - any combination of corporations or partnerships that includes the particular corporation or any other member of a qualifying group of which the particular corporation is a member.
- The particular corporation holds all or substantially all of the interest in a qualifying or Canadian partnership that is a member of a qualifying group of which the particular partnership is a member.
- The particular partnership holds all or substantially all of the interest in a qualifying or Canadian partnership that is a member of a qualifying group of which the particular corporation is a member.

Corporations or qualifying or Canadian partnerships closely related to the same third party

Two corporations are closely related for both QST and GST/HST purposes if they are each closely related to the same third corporation.

For QST purposes, a corporation and a qualifying partnership, or two qualifying partnerships, are closely related if both are closely related to the same third corporation or qualifying partnership, or would be closely related to the qualifying partnership if each member of that partnership were resident in Québec.

For GST/HST purposes, a corporation and a Canadian partnership, or two Canadian partnerships, are closely related if both are closely related to the same third corporation or Canadian partnership, or would be closely related to the Canadian partnership if each member of that partnership were resident in Canada.

Interest in a partnership

A particular corporation, partnership or group of corporations or partnerships holds, at a given time, all or substantially all of the interest in a partnership if, at that time, the particular corporation or partnership, or each member of the particular group of corporations or partnerships, is a member of the partnership and the particular corporation or partnership, or all the members of the particular group of corporations or partnerships, are, collectively,

- entitled to receive at least 90% of the total of all amounts, each of which is the share of the partnership's income from all sources that each of its members is entitled to receive for the partnership's last fiscal period that ended before that time (or the partnership's first fiscal period, if that period includes that time), or, if the partnership has no income, the total of all amounts, each of which is the share of the partnership's income that each of its members would be entitled to receive if the partnership's income from each source were one dollar;
- entitled to receive at least 90% of the total amount that would be paid to all members of the partnership (other than amounts that would be paid as a share of the partnership's income) if it were wound up at that time; or
- able to direct the business and the affairs of the partnership, or would be able to do so if no secured creditor had any security interest in an interest in, or property of, the partnership.

