



Information Requirements Related to Investments in Selected Listed Financial Institution Distributed Investment Plans (other than Exchange-Traded Funds or Exchange-Traded Series)

NOTE: This version cancels and replaces [GST/HST Notice 259, Information Requirements Related to Investments in Selected Listed Financial Institution Distributed Investment Plans \(other than Exchange-traded Funds\)](#) issued in November 2010.

This notice outlines the type of information that investment plans that are selected listed financial institutions (SLFIs) and mutual fund trusts, mutual fund corporations, unit trusts, mortgage investment corporations, investment corporations, non-resident owned investment corporations or segregated funds of insurers (referred to as SLFI distributed investment plans in this notice) may require from specific unit holders in SLFI distributed investment plans, and from persons that sell or distribute units in SLFI distributed investment plans. It also outlines the duty to provide information placed on certain unit holders investing in SLFI distributed investment plans, or persons that sell or distribute these units under section 55 of the proposed draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* (draft SLFI Regulations) and the *Excise Tax Act* (the Act). These information requirements do not apply to investments in exchange-traded funds or exchange-traded series of a stratified investment plan.

The information provided in this notice is based on the Act and the following documents issued by the Department of Finance on January 28, 2011:

- the proposed [Draft Regulations Amending Various GST/HST Regulations](#) that includes the draft SLFI Regulations; and
- the [Proposed amendments to the GST/HST Legislation \(Excise Tax Act\)](#).

The appendix to this notice provides a description of the following terms used in the notice: affiliated group, affiliated persons, distributed investment plan, exchange-traded fund, exchange-traded series, investment plan, investor percentage, non-participating province, non-stratified investment plan, participating province, pension entity, province of residence, qualifying investor, qualifying small investment plan, segregated fund of an insurer, selected investor, selected listed financial institution, series, SLFI distributed investment plan, specified investor, stratified investment plan, and unit.

For more information on investment plans (including segregated funds of an insurer) and the HST, see [GST/HST Technical Information Bulletin B-107, Investment Plans \(Including Segregated Funds of an Insurer and the HST\)](#).

Under the new rules introduced as part of the changes to the harmonized sales tax (HST) and the proposed draft regulations referred to below, certain financial institutions that are investment plans (which, for the purposes of this notice, includes segregated funds of insurers) and that qualify as selected listed financial institutions (SLFIs) under the Act require additional information from specific unit holders or persons selling or distributing these units.

An SLFI distributed investment plan uses this information to calculate its provincial attribution percentage for a participating province, as required by the formula referred to as the Special Attribution Method (SAM) formula to compute its liability for the provincial part of the HST as required under the draft SLFI Regulations and the Act.

As the requirement to provide information under the draft SLFI Regulations does not apply to exchange-traded funds or exchange-traded series of a stratified investment plan, the reference to SLFI distributed investment plans (including the reference to stratified or non-stratified investment plan) in this notice does not include exchange-traded funds or an exchange-traded series of a stratified investment plan. Where the investment plan is comprised of a series (e.g., stratified investment plan), the comments below concerning requests for information and the information to be provided will be based on units of a series of an SLFI distributed investment plan.

La version française de la présente publication est intitulée *Renseignements exigés à l'égard des investissements dans des régimes de placement à répartition qui sont des institutions financières désignées particulières (autres que les fonds cotés en bourse ou les séries cotées en bourse)*.



Requirement to provide information upon request

The following categories of persons are required, upon request of a SLFI distributed investment plan (investee), to provide information:

- Category 1 – A unit holder other than an individual or specified investor in the SLFI distributed investment plan,
- Category 2 – A selected investor in the SLFI distributed investment plan, and
- Category 3 – A person that sells or distributes units of the SLFI distributed investment plan.

In addition, there is a category of investors (selected investors that are qualifying investors) that is required to provide information to an investee without the investee first requesting that information (see the section “Requirement to provide information as a qualifying investor”).

Category 1 – Unit holder other than an individual or a specified investor

If an SLFI distributed investment plan makes a written request during a calendar year to a unit holder (other than individuals or specified investors) that holds units in the SLFI distributed investment plan, pursuant to subsection 55(3) of the draft SLFI Regulations, the unit holder must provide the plan with:

- its investor percentage (see appendix for definition) calculated in accordance with section 30 of the draft SLFI Regulations for every participating province as of September 30 of the calendar year set out in the request; and
- the number of units held on that day (September 30) in the SLFI distributed investment plan and, if applicable, in each series of the plan.

This information must be provided to the plan on or before the particular day that is the later of:

- November 15 of that calendar year; and
- 45 days after the day on which the unit holder received the request.

Where an SLFI distributed investment plan already knows the number of units held by a unit holder, it may request the unit holder's investor percentage.

A specified investor in a distributed investment plan for a fiscal year of the investment plan that ends in a calendar year is defined in subsection 17(1) of the draft SLFI Regulations as a unit holder (other than an individual or a distributed investment plan) that holds units of the investment plan as of September 30 of the preceding calendar year and that meets the following criteria:

- if the unit holder is an investment plan (paragraph (a) of the definition of specified investor in subsection 17(1)),
 - the unit holder holds units of the investment plan with a total value of less than \$10,000,000 as of September 30 of the preceding calendar year,
 - the unit holder has not, on or before December 31 of the preceding calendar year, notified the investment plan that it is a qualifying investor (as defined under the section “Requirement to provide information as a qualifying investor”) in the investment plan for the purposes of section 55 of the draft SLFI Regulations on September 30 of the preceding calendar year in accordance with paragraph 55(6)(a), and
 - the investment plan neither knows nor ought to know that the unit holder is a qualifying investor in the investment plan for the purposes of section 55 on September 30 of the preceding calendar year; and

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- where the unit holder is not an investment plan, as of September 30 of the preceding calendar year (paragraph (b) of the definition of specified investor in subsection 17(1)),
 - if the investment plan is a stratified investment plan, for each series of the investment plan in which the unit holder holds units, the unit holder holds units of the series with a total value of less than \$10,000,000, and
 - if the investment plan is a non-stratified investment plan, the unit holder holds units of the investment plan with a total value of less than \$10,000,000.

Example 1

A company has a pension plan for its employees which is a trust governed by a defined contribution registered pension plan (Pension Plan). The records indicate that the principal mailing addresses for its plan members is either Ontario or Alberta. The Pension Plan is an SLFI investment plan and has determined that its percentage for the participating province (Ontario) based on the formula set out in the draft SLFI Regulations is 80% for Ontario at its attribution point of September 30, 2011.

The Pension Plan has invested \$12,000,000 in series A of a mutual fund trust representing 120,000 units and does not qualify as an individual or specified investor. On August 15, 2011, the Pension Plan receives a request from the mutual fund trust to provide on or before November 15, 2011 its investor percentage as of September 30, 2011 and the number of units held as of that day.

As the only participating province in which the Pension Plan has plan members is Ontario, the Pension Plan will be required to provide the mutual fund trust with its investor percentage of 80% for Ontario calculated based on data available on September 30, 2011 and the number of units held (i.e., 120,000 units in series A) on September 30, 2011 on or before November 15, 2011.

Category 2 – Selected investor

If an SLFI distributed investment plan makes a written request during a calendar year to a unit holder that is a selected investor (defined below) that is resident in Canada, but is not a qualifying investor (discussed under the section “Requirement to provide information as a qualifying investor”), pursuant to subsection 55(4) of the draft SLFI Regulations, the selected investor must provide the plan with:

- its address that determines its province of residence under section 6 of the draft SLFI Regulations as of September 30, of that calendar year set out in the request; and
- the number of units held by the selected investor in the SLFI distributed investment plan as of that date (September 30), and if applicable, in each series of the SLFI distributed investment plan.

The selected investor is required to provide this information to the plan on or before the particular day that is the later of:

- November 15 of that calendar year, and
- the day that is 45 days after the day on which the selected investor receives the request.

Where an SLFI distributed investment plan already knows the number of units held by a selected investor, it may request the selected investor's province of residency.

A selected investor in an investment plan is defined under subsection 55(1) of the draft SLFI Regulations as a person that is an investment plan other than a distributed investment plan and that holds units of the investment plan (investee) with a total value of less than \$10,000,000.

Based on the draft SLFI Regulations, subsection 55(4) does not apply to a person described in paragraph (b) of the definition “specified investor” (discussed under the section, “Category 1 – Unit holder other than an individual or a specified investor”), specifically a unit holder that is not an investment plan and that as of September 30 of the preceding calendar year,

- if the investment plan is a stratified investment plan, for each series of the investment plan in which the person holds units, the unit holder holds units of the series with a total value of less than \$10,000,000, and
- if the investment plan is a non-stratified investment plan, the unit holder holds units of the investment plan with a total value of less than \$10,000,000.

However, we understand that the Department of Finance is reviewing subsection 55(4) of the draft SLFI Regulations and considering clarifying the application of that subsection to unit holders that meet the conditions in paragraph (b) in the definition “specified investor” in subsection 17(1) of the draft SLFI Regulations.

Under section 6 of the draft SLFI Regulations, the “province of residence” of a person resident in Canada is determined as follows:

- (a) if the person is an individual, the province where the person’s principal mailing address in Canada is located;
- (b) if the person is a corporation or a partnership, the province 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, the province 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) above, the province where the trustee’s principal business in Canada is located or, if the trustee is not carrying on a business, the province where the trustee’s principal mailing address in Canada is located; and
- (e) in any other case, the province where the person’s principal business in Canada is located or, if the person is not carrying on a business, the province where the person’s principal mailing address in Canada is located.

Example 2

A trust governed by an employee benefit plan that is an investment plan (employee benefit plan) has a trustee whose principal business is located in Alberta. The trust holds \$5,000,000 (50,000 units) in series A of an SLFI mutual fund trust on September 30, 2011. The employee benefit plan is a selected investor of the mutual fund trust. On August 15, 2011, the employee benefit plan receives a request from the mutual fund trust for its address as of September 30, 2011 that determines its province of residence under the draft SLFI Regulations (i.e., where the trustee’s principal business in Canada is located) and the number of units it holds on September 30, 2011 (i.e. 50,000 units in series A). The employee benefit plan is required to provide this information to the mutual fund trust on or before November 15, 2011.

Category 3 – Persons selling or distributing units

If an SLFI distributed investment plan makes a written request during a calendar year to a person that sells or distributes units of the plan, pursuant to subsection 55(5) of the draft SLFI Regulations the person must provide the plan with:

- for each participating province, the number of units of the plan and, if applicable, in each series of the plan held by its clients that are resident in the participating province as of September 30 of the calendar year set out in the request, and
- the total number of units of the plan and, if applicable, in each series of the plan, held by clients resident in Canada as of September 30 of the calendar year set out in the request.

This information must be provided to the plan on or before the particular day that is the later of

- November 15 of that calendar year; and
- 45 days after the day on which the person received the request.

Example 3

A mutual fund dealer distributes units in series C of a mutual fund trust to its clients. These units are held by the dealer in a nominee account. Of these series, the dealer distributes 25,000 units in Ontario, 50,000 units in Nova Scotia and 50,000 units in Alberta. In total, 125,000 units are distributed to Canadian residents as of September 30, 2011. The mutual fund dealer receives a request from the mutual fund trust on August 15, 2011 to provide the number of units of series C held by its clients that are resident in a participating province as of September 30, 2011 and the total number of units held by clients resident in Canada as of September 30, 2011.

The mutual fund dealer is required to provide this information to the mutual fund trust on or before November 15, 2011 indicating that as of September 30, 2011, clients resident in Ontario held 25,000 units in series C, client resident in Nova Scotia held 50,000 units in series C and the total number of units in series C held by residents in Canada is 125,000.

Requirement to provide information as a qualifying investor

Unlike the three categories discussed above, a unit holder that is a qualifying investor is required to provide information to an investment plan without receiving a written request from the plan. Specifically, pursuant to subsection 55(6) of the draft SLFI Regulations, a qualifying investor with units of an investment plan on September 30 of a calendar year must provide the plan, on or before November 15 of the calendar year, with:

- notice that the person is a qualifying investor in the plan on the particular day;
- the number of units held on September 30 by the qualifying investor in the plan and if applicable in each series of the plan; and
- the qualifying investor's investor percentage for each participating province as of September 30.

Note: We understand that the Department of Finance is reviewing the requirement to provide information under subsection 55(6) and the corresponding penalty under subsection 55(9) of the draft SLFI Regulations and considering clarifying that this provision would apply to a qualifying investor in a non-stratified investment plan (other than an exchange-traded fund) that is an SLFI or in a series (other than an exchange-traded series) of a stratified investment plan that is an SLFI.

A qualifying investor in an investment plan is defined under subsection 55(1) of the draft SLFI Regulations as a selected investor in the investment plan that meets the following criteria:

- it is not a qualifying small investment plan (see the appendix for the definition) for the purposes of Part 1 of the draft SLFI Regulations;
- it is an SLFI; or
- it is a member of an affiliated group (see the appendix for the definition),
 - the members of which together hold units of the plan with a total value of \$10,000,000 or more, or
 - any member of which is an SLFI.

Example 4

A company in New Brunswick sets up a trust governed by a defined contribution pension plan (pension entity under subsection 172.1(1)) for its employees (plan members). The pension entity has plan members in New Brunswick and Prince Edward Island. The pension entity is not a qualifying small investment plan and is an SLFI during its fiscal year ending December 31, 2012. The pension entity has determined that its provincial attribution percentage for New Brunswick used to determine its liability for the provincial part of the HST under the SAM formula (i.e., element C of SAM formula referred to in subsection 225.2(2) as adapted by subsection 51(3) of the draft SLFI Regulations) is 80%.

The pension entity invests its funds in a segregated fund of insurer and holds 8,000 units in the fund and the total value of its investment in the segregated fund on September 30, 2012 is \$8,000,000.

As the pension entity is a qualifying investor in the segregated fund of the insurer, it is required to inform the segregated fund of the insurer (the Act deems a segregated fund to be a trust that is a separate person from the insurer) of the following on or before November 15, 2012:

- it was a qualifying investor in the segregated fund of an insurer on September 30, 2012;
- it held 8000 units in the segregated fund of an insurer on September 30, 2012; and
- its investor percentage as of September 2012 for New Brunswick determined in accordance with paragraph 30(c) of the draft SLFI Regulations is 80%.

Penalties – Failure to provide requested information

Penalties will apply, as described in the draft SLFI Regulations, where a person in any of the three categories referred to in the section “Requirement to provide information upon request” fails to comply with a request for information received from an SLFI distributed investment plan.

Specifically, where any of these persons fails to provide the information requested by the SLFI distributed investment plan or misstates such information, the person 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 plan in respect of which the person was required to provide information under any of subsections 55(3) to (5) of the draft SLFI Regulations.

However, as outlined in Part 7 of the *Draft Regulations Amending Various GST/HST Regulations*, section 55 of the draft SLFI Regulations applies in respect of a reporting period of a person that ends on or after July 1, 2010, except that no person is liable to a penalty under the draft SLFI Regulations, in respect of information that is required to be provided to an SLFI distributed investment plan on or before the day on which the draft SLFI Regulations are published in the *Canada Gazette*, Part II.

Penalties – Failure to provide information as a qualifying investor

Penalties will apply, as described in the draft SLFI Regulations, where a qualifying investor fails to fulfil the requirement to provide certain information to an investment plan as discussed under the section, “Requirement to provide information as a qualifying investor”.

Specifically, a qualifying investor that fails to provide the required information to the distributed 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 that calendar year, of the units of the plan held by the qualifying investor on that day.

However, as outlined in Part 7 of the *Draft Regulations Amending Various GST/HST Regulations*, section 55 of the draft SLFI Regulations applies in respect of a reporting period of a person that ends on or after July 1, 2010, except that no person is liable to a penalty under the draft SLFI Regulations, in respect of information that is required to be provided to a distributed investment plan on or before the day on which the draft SLFI Regulations are published in the *Canada Gazette*, Part II.

Note: We understand that the Department of Finance is reviewing the requirement to provide information under subsection 55(6) and the corresponding penalty under subsection 55(9) of the draft SLFI Regulations and considering clarifying that these provisions would apply to a qualifying investor in a non-stratified investment plan (other than an exchange-traded fund) that is an SLFI or in a series (other than an exchange-traded series) of a stratified investment plan that is an SLFI.

Use of information by SLFI distributed investment plan

An SLFI distributed investment plan that obtains information from any person, as a result of the requirement to provide that information under any of subsections 55(3) to 55(6) of the draft SLFI Regulations discussed above for the purposes of computing its tax liability for the provincial part of the HST must not knowingly use, communicate or allow to be used or communicated this information otherwise than as required or authorized under the Act, the draft SLFI Regulations or any other regulation made under the Act, without the written consent of the person providing the information.

Appendix – Definition of terms for the purposes of this notice

The following definitions are based on the draft SLFI Regulations unless otherwise indicated.

Affiliated group

An “affiliated group” means a group of investment plans, each member of which is affiliated with each other member of the group.

Affiliated persons

“Affiliated persons” means:

- pension entities of the same pension plan;
- 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;
- employee life and health trusts established for the same employees; or
- related persons.

Distributed investment plan

A “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.

Exchange-traded fund

An “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

An “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.

Investment plan

An “investment plan” means a listed financial institution described 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.

A listed financial institution described in subparagraph 149(1)(a)(vi) of the Act means a segregated fund of an insurer which is defined under subsection 123(1) of the Act to mean 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.

A listed financial institution described in subparagraph 149(1)(a)(ix) of the Act means an investment plan for the purpose of section 149 of the Act which means

- (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* (ITA) or the *Income Tax Regulations*;
- (b) an investment corporation, as that term is defined for the purposes of the ITA;
- (c) a mortgage investment corporation, as that term is defined for the purposes of the ITA;
- (d) a mutual fund corporation, as that term is defined for the purposes of the ITA;
- (e) a non-resident owned investment corporation, as that term is defined for the purposes of the ITA;
- (f) a corporation exempt from tax under the ITA by reason of paragraph 149(1)(o.1) or (o.2) of the ITA; 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 taxation year of the person if the person were a listed financial institution included in subparagraph 149(1)(a)(ix) during the taxation year and the preceding taxation year of the person. An employee life and health trust is proposed to be a prescribed person.

Investor percentage

For the purposes of determining an investment plan's percentage for a particular series and for a participating province under section 31 or 32 of the draft SLFI Regulations or determining a particular investment plan's percentage for a participating province under section 33 or 34 of the draft SLFI Regulations (which 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 (the unit holder) that holds units of the investee is, as of a particular day,

- (a) if the unit holder is an SLFI and a non-stratified investment plan, the percentage that would be the unit holder's percentage for the participating province as of the particular day if a real-time calculation method election under section 52 of the draft SLFI Regulations in respect of the unit holder were in effect throughout the fiscal year of the unit holder that includes the particular day;

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- (b) if the unit holder is an SLFI 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 unit holder by the formula

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

where

- A is the percentage that would be the unit holder's percentage for the particular series and the participating province as of the particular day if a real-time calculation method election under section 52 in respect of the particular series were in effect throughout the fiscal year of the unit holder that includes the particular day,
- B is the total value on the particular day of the units of the investee held by the unit holder that are reasonably attributable to the particular series of the unit holder, and
- C is the total value on the particular day of all of the units of the investee held by the unit holder;
- (c) if the unit holder is an SLFI not described in paragraph (a) or (b), the amount determined for element C in subsection 225.2(2) of the Act for the taxation year of the unit holder in which the fiscal year that includes the following reporting period of the unit holder ends:
- (i) if the unit holder was previously required to file a return under Division V of Part IX of the Act, the reporting period for which a return is the last such return that was required to be filed by the unit holder 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 unit holder, that would be the last such return that was required to be so filed by the unit holder on or before the particular day, if the unit holder were a registrant at all times;
- (d) if the unit holder is a qualifying small investment plan and is not an SLFI, the amount that would, if the unit holder were an SLFI be determined for element C in subsection 225.2(2) of the Act for the taxation year of the unit holder in which the fiscal year that includes the following reporting period of the unit holder ends:
- (i) if the unit holder was previously required to file a return under Division V of Part IX of the Act, the reporting period for which a return is the last such return that was required to be filed by the particular unit holder 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 unit holder, that would be the last such return that was required to be so filed by the unit holder on or before the particular day, if the unit holder were a registrant at all times;
- (e) in any other case, the percentage determined by the formula

$$A/B$$

where

- A is the unit holder's taxable income earned in the participating province, as determined for the purposes of the ITA 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 unit holder was previously required to file a return under the ITA, the last taxation year of the person for which a return is required to be filed under the ITA on or before the particular day, and
- (ii) in any other case, the last taxation year of the unit holder ending on or before the particular day, and
- B is the unit holder's total taxable income for the purposes of the ITA for the particular taxation year.

Non-participating province

A “non-participating province” means a province, territory, or any other area in Canada that is outside the participating provinces as defined in subsection 123(1) of the Act.

Non-stratified investment plan

A “non-stratified investment plan” means a distributed investment plan the units of which are not issued in two or more series.

Pension entity

A “pension entity” is an investment plan that is a pension entity for the purposes of subsection 172.1(1) of the Act.

Participating province

A “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 as defined in subsection 123(1) of the Act.

Province of residence

A “province of residence” of a person resident in Canada is resident is determined as follows:

- (a) if the person is an individual, the province where the person’s principal mailing address in Canada is located;
- (b) if the person is a corporation or a partnership, the province 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, the province 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) above, the province where the trustee’s principal business in Canada is located or, if the trustee is not carrying on a business, the province where the trustee’s principal mailing address in Canada is located; and
- (e) in any other case, the province where the person’s principal business in Canada is located or, if the person is not carrying on a business, the province where the person’s principal mailing address in Canada is located.

Qualifying investor

A “qualifying investor” in an investment plan is defined as a selected investor in the investment plan that meets the following:

- it is not a qualifying small investment plan for the purposes of Part 1 of the draft SLFI Regulations;
- it is an SLFI; or
- it is a member of an affiliated group,
 - the members of which together hold units of the investment plan with a total value of \$10,000,000 or more, or
 - any member of which is an SLFI.

Qualifying small investment plan

An investment plan (other than a distributed investment plan) is a “qualifying small investment plan” for a particular fiscal year 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 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; 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 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.

Selected investor

A “selected investor” in an investment plan means a person that is an investment plan other than a distributed investment plan and that holds units of the investment plan with a total value of less than \$10,000,000.

Selected listed financial institution (SLFI)

A financial institution would generally be considered to be an “SLFI” throughout a reporting period in a fiscal year that ends in a particular tax 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 Act during the particular tax 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 tax year.

A person who is a listed financial institution under subparagraph 149(1)(a)(xi) only because the person is deemed to be one when an election under subsection 150(1) is in effect, can not be an SLFI.

It is proposed that the definition of what constitutes a permanent establishment be expanded. See the draft SLFI Regulations for more information.
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The definition of “selected listed financial institution” is based on proposed subsection 225.2(1) of the Act and the draft SLFI Regulations. For more information on the different types of listed financial institutions, see [GST/HST Memorandum 17.6, Definition of “Listed Financial Institutions”](#).

Series

“series” means:

- (a) in the case of a trust, a class of units of the trust; and
- (b) in the case of a corporation, a class of the capital stock of the corporation.

SLFI distributed investment plan

“SLFI distributed investment plan” means an investment plan that is a SLFI and 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. *This term and related definition is for the purpose of this notice and is not a defined term in the draft SLFI Regulations.*

Specified investor

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

- if the unit holder is an investment plan,
 - the unit holder holds units of the investment plan with a total value of less than \$10,000,000 as of September 30 of the preceding calendar year,
 - the unit holder has not, on or before December 31 of the preceding calendar year, notified the investment plan that it is a qualifying investor in the investment plan for the purposes of section 55 of the draft SLFI Regulations on September 30 of the preceding calendar year in accordance with paragraph 55(6)(a), and
 - the investment plan neither knows nor ought to know that the unit holder is a qualifying investor in the investment plan for the purposes of section 55 on September 30 of the preceding calendar year; and
- where the unit holder is not an investment plan, as of September 30 of the preceding calendar year,
 - if the investment plan is a stratified investment plan, for each series of the investment plan in which the unit holder holds units, the unit holder holds units of the series with a total value of less than \$10,000,000, and
 - if the investment plan is a non-stratified investment plan, the unit holder holds units of the investment plan with a total value of less than \$10,000,000.

Stratified investment plan

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

Unit

“Unit” means

- (a) in the case of a trust, a unit of the trust;
- (b) in the case of a series of a trust, a unit of the trust of that series;
- (c) in the case of a corporation, a share of the capital stock of the corporation;
- (d) in the case of a series of a corporation, a share of the capital stock of the corporation of that series; and
- (e) in the case of a segregated fund of an insurer, an interest of a person other than the insurer, in the segregated fund.

Enquiries by telephone

For technical enquiries related to the information in this notice call: 1-800-959-8287

If you are located in Quebec call: 1-877-960-9102

All technical publications related to the GST/HST are available on the CRA Web site at www.cra.gc.ca/gsthstech.