Canada Revenue Agency / Agence du revenu du Canada

Election on Transitional Prohibited Investment Benefit for RRSPs or RRIFs

Protected B when completed

Identification

First name and initial(s)

Last name

Mailing address: Apt No – Street No Street name

PO Box

RR

City

Prov./Terr.

Postal code

Information about you

Enter your social insurance number:

Enter your date of birth: Year Month Day

Before you complete this form, see the "Important information" and "Definitions" sections on the back of this form. Complete this form if you held one or more prohibited investments on March 23, 2011, in your RRSP or RRIF and you are electing to take advantage of transitional relief for these investments. The transitional relief provides that any income earned and capital gains accrued accrued after March 22, 2011, and realized before 2022 on these investments will not be subject to the 100% advantage tax, but instead will be included in your regular income (see the "Note" on the back of this form for proposed changes to the "realized before 2022" rule). You will be required to withdraw from your RRSP or RRIF, within 90 days after the end of the tax year in which the income or gains are earned or realized, an amount equal to your transitional prohibited investment benefit for the year. The amount of the withdrawal will be treated as a regular RRSP or RRIF withdrawal and will be included in your income in the year it is made. The election is valid only for prohibited investments you have listed and described below. Report all amounts in Canadian dollars.

Election on prohibited investments

Prohibited investments description (including number of securities)	RRSP or RRIF account number and issuer/carrier name	Fair market value of the property as of March 22, 2011

I, the undersigned, elect, in accordance with subsection 207.05(4) of the *Income Tax Act*, that subsection 207.05(1) of the *Income Tax Act* not apply in respect of any advantage that is an amount included in the calculation of my transitional prohibited investment benefit for a tax year.

Sign here ______________________ Telephone ____ – ____ – ____ Date ____________

Signature of the annuitant

Privacy Act, Personal Information Bank number CRA PPU 005

Important information

This election must be filed with the Canada Revenue Agency (CRA) before July 2012.

The CRA will consider the election filed on time if the Canada Post stamp is no later then June 30, 2012.

Note
The Department of Finance had advised that is is recommending that the June 30, 2012 deadline to file this election, be extended to March 1, 2013.

You can list the prohibited investments you have in various RRSPs or RRIFs on the same form. Give the registered plan or the account number in the second column of the form.

If you do not have sufficient space to list all your properties for which you are making an election, complete a second form and attach all your election forms together.

Prohibited investment description

You must give the description of investment which includes the type, the name, the class of the investment, and the face value and maturity date of debt obligations.

Mailing address

This election form has to be mailed to the following address: RRSP Return Processing Unit
Ottawa Technology Centre
875 Heron Road
Ottawa ON K1A 1A2

Definitions

Prohibited investment – this is an investment to which the RRSP or RRIF annuitant is closely connected. It includes:

- a debt of the annuitant;
- a debt or share of, or an interest in, a corporation, trust or partnership in which the annuitant has a significant interest (generally a 10% or greater interest); and
- a debt or share of, or an interest in, a corporation, trust or partnership with which the annuitant, does not deal at arm's length.

A prohibited investment does not include a mortgage loan that is insured by the Canada Mortgage and Housing Corporation or by an approved private insurer. It also does not include certain investment funds.

Transitional prohibited investment benefit – this expression is relevant only if an individual held one or more prohibited investments in their RRSP or RRIF on March 23, 2011, and continues to hold the investments in their RRSP or RRIF in the tax year. An individual's transitional prohibited investment benefit for a tax year is the total of any income earned and capital gains realized in the tax year on these investments, less any capital losses realized on these investments in the tax year. For this purpose, the amount of a capital gain realized is the positive difference between the fair market value of the property when it is disposed of by the RRSP or RRIF, or when it ceases to be a prohibited investment (less reasonable costs of disposition, if any) and the fair market value of the property on March 22, 2011. The amount of a capital loss is the negative difference.

Note
The Department of Finance has proposed that the transitional period until 2022, be extended indefinitely.