Election for a Disposition of Shares in a Foreign Affiliate

•	For use by a corporation resident in Canada to elect under subsection 93(1) of the
	Income Tax Act for the disposition of shares in a foreign affiliate or such disposition by
	another foreign affiliate.

- Separate elections must be made when a disposition of shares in a foreign affiliate involves shares of different classes or when dispositions are made at different times.
- Mail one completed copy of this election (plus attachments), separately from any tax return, to your tax centre by the due date indentified in subsection 5902(5) of the Income Tax Regulations. Find your tax centre's address at www.cra.gc.ca/tso.
- For late-filed or amended elections, mail one completed copy of this election (plus attachments) to your tax centre.
- Surplus calculations must be filed with this election (see **note 3** on page 2).

Do not use this area				

Resident corporation filing this election	Corporati	on's name	Tax year-end Year Month Day
Disposing corp (if different from corporation mu foreign affiliate resident corpo	resident ust be a e of the	Corporation's name Address	Tax year-end Year Month Day
Foreign affiliate whose shares have been disposed of	Corporati	on's name	

Penalty for late-filed and amended elections

Calculation of late-filed penalty:

Late-filed election - subsection 93(5) - we will accept an election filed within three years after the due date and consider it to have been filed on the due date, provided an estimate of the penalty described in subsection 93(6) is paid at the time of filing the election.

Special cases - subsection 93(5.1) - we may accept an election filed after the three-year due date or an amended election. At the discretion of the Minister, if it is considered just and equitable to do so, the late or amended election will be considered to have been filed by the due date, provided an estimate of the penalty described in subsection 93(6) is paid at the time of filing the election. A written submission setting out reasons supporting the acceptance of this election should accompany the election.

number of shares disposed	×	elected amount per share		 total elected an
total elected amount		× ¼ ×1% × N* =	=	

Estimate of late-filing penalty is the lesser of 1 and 2 above _

* N represents the sum of each month or each part of a month in the period from the election's due date to the actual filing date.

Attach cheque or money order payable to the Receiver General, if a penalty is payable. Specify T2107 on the remittance and indicate the name and Business number of the corporation whose account is to be credited.

Do not use this area			

Amount enclosed _

Particulars of disposition for which an election	is made ————					
Class of capital stock (detailed description)						
Date of disposition	Number of shares disposed of	Elected amount per share (note 1)				
Proceeds per share Gain from the disposition of share after August 19, 2011						
Adjusted cost per share	Balance of exempt surplus at time	alance of exempt surplus at time of disposition				
Balance of taxable surplus (if any) at time of disposition						
Notes						
1. Is the amount designated in this election based on a determination of one or more fair market values?						
2. Specify the amounts entered above in Canadian currency.						
3. You have to file with this election a calculation of the balance of exempt surplus and balance of taxable surplus (if any) at the time of disposition. <i>Income Tax Regulation</i> 5902 contains the rules for calculating the required surplus balances. You do not need to submit documentation to support these balances, but you have to keep it in case we ask for it.						
Election and certification						
The resident corporation elects to have the provisions of subsection 93(1) of the <i>Income Tax Act</i> apply for the disposition of the shares shown on this form.						
I certify that the information given in this election and in all attached documents is correct and complete.						
Name of authorized officer of the corporation	Signature of authori	ized officer of the corporation				
Position or title of officer	Date	e yyyy/mm/dd				

Privacy Act, personal information bank number CRA PPU 047