



Part X.3 Tax Return for a Labour-Sponsored Venture Capital Corporation

- Fill out this form to file an annual return for a labour-sponsored venture capital corporation (LSVCC) that is registered under Part X.3 or is a revoked corporation.
- Fill out Form T2152A, *Part X.3 Tax Return and Request for a Refund for a Labour-Sponsored Venture Capital Corporation*, to claim a refund under subsection 204.83(1).
- If your LSVCC is prescribed for the purpose of section 127.4(1), is not registered under Part X.3, and is not a revoked corporation, use Form T2152A to file a return for the tax year in which tax becomes payable under subsection 204.82(5) or 204.85(2).
- References in this form to parts, sections, subsections, and paragraphs are from the *Income Tax Act*.

Do not use this area.

LSVCC's name						Account Number					
Address											
LSVCC's tax year		From		Year	Month	Day	to	Year	Month	Day	Federal registration number
											LV —
Mailing address (if different from address above)											
Name of sponsoring eligible labour body											
Address											
Contact person									Telephone number		

Summary of taxes and penalties payable

Tax under subsection 204.82(1) – from line 11 of Section A on page 4	\$	_____	101
Penalty under paragraph 204.84(a) – from line 2 of Section B on page 4	\$	_____	102
Penalty under paragraph 204.84(b) – from line 2 of Section C on page 4	\$	_____	103
Tax under subsection 204.82(2) – from box 8 of Section D on page 2 of Schedule 1	\$	_____	104
Tax under subsection 204.82(3) – from line 8 of Section E on page 1 of Schedule 2	\$	_____	105
Penalty under subsection 204.82(4) – from line 9 of Section E on page 1 of Schedule 2	\$	_____	106
Tax under subsection 204.82(6) – from line 1 of Section F on page 2 of Schedule 2	\$	_____	107
Tax under section 204.841 – from line 11 of Section G on page 2 of Schedule 2	\$	_____	108
Total taxes and penalties payable (add lines 101 to 108)	\$	_____	131
Subtract: Payment made for taxes and penalties payable	\$	_____	132
Balance owing or refund (line 131 minus line 132)	\$	_____	133

Do not use this area.

- The LSVCC has to pay any tax and penalty owed no later than the day that is two months after the day on which the taxation year ends.
- We charge interest, compounded daily at the prescribed rate, on unpaid taxes and penalties.

Amount enclosed \$ _____

Certification

I, _____, certify that the information given on this form and in any attached documents is correct and complete.
(print)

_____ Date _____ Signature of authorized officer _____ Position or office

- Each LSVCC that is registered under Part X.3 has to comply with the requirements of subsections 204.81(1) and (6), and has to give all the information requested on this form. Revoked corporations also need to complete this form.
- Complete this form and file it with a schedule of eligible investments and reserves and schedules 1 and 2 (if applicable), and your provincial or territorial notice of assessment (if applicable) within six months after the end of the LSVCC's tax year. File this form, separately from any other return, at the tax centre where the LSVCC usually files its corporation income tax return.

Class A shares issued and outstanding

	Number of shares	Consideration received
Balance at the start of the year	_____	\$ _____
Add: Shares issued during the year	_____	\$ _____
Subtotal	_____	\$ _____
Subtract: Shares redeemed during the year	_____	\$ _____
Balance at the end of the year	=====	\$ _____

Note

An LSVCC can issue Class A shares only to individuals (other than trusts), terminating corporations in respect of the LSVCC and trusts governed by a registered retirement savings plan or a tax-free savings account. Subsection 204.81(1) sets limits on the redemption and transfer of these shares.

Investments at the end of the tax year

1. Cost of eligible investments (attach a schedule showing the information for each investment as described in the notes on page 3)		
a) Shares	\$ _____	
b) Debt obligations	\$ _____	
c) Guarantees	\$ _____	
d) Options or rights to acquire a share of the capital stock of an eligible business entity	\$ _____	
Total cost of eligible investments at the end of the tax year	\$ _____	\$ _____ A
Transfer this amount to line 23 in Section D on page 2 of Schedule 1.		
2. Reserves (see notes on page 3)		
a) Cash and bank deposits	\$ _____	
b) Debt obligations described in paragraph (a) of the definition of "fully exempt interest" in subsection 212(3)	\$ _____	
c) Debt obligations issued by: (i) a corporation, mutual fund trust or limited partnership the shares or units of which are listed on a designated stock exchange in Canada, (ii) a corporation the shares of which are listed on a designated stock exchange outside Canada, or (iii) an authorized foreign bank and payable at a branch in Canada of that bank	\$ _____	
d) Guaranteed investment certificates of a Canadian trust company	\$ _____	
e) Investment contracts described in subparagraph (b)(ii) of the definition of retirement savings plan in subsection 146(1)	\$ _____	
f) Deposits with a credit union that is a "member institution" in relation to a deposit insurance corporation as defined in subsection 137.1(5)	\$ _____	
Total cost of reserves at the end of the tax year	\$ _____	\$ _____ B
Total eligible investments and reserves at the end of the tax year (line A plus line B)		\$ _____ C

Information for LSVCCs registered under Part X.3

Investment requirements

At any time that is both in the **start-up period*** of a corporation that was registered under Part X.3 and before its venture capital business is first discontinued, the LSVCC has to invest at least 80% of the consideration received for Class A shares in eligible investments or reserves less returns of capital. The LSVCC has to pay a tax under subsection 204.82(1) if it fails to meet these requirements.

Starting with the first tax year that begins after the end of the start-up period (or, if the corporation has no start-up period, the tax year that begins after the time the corporation first issues a Class A share) or, where a corporation has been formed by an amalgamation or merger as contemplated by subsection 204.85(3), starting with the first taxation year of the new corporation, and in respect of each month ending before its venture capital business is first discontinued, without taking into account any unrealized gains or losses on the corporation's eligible investments throughout each tax year, the LSVCC has to invest at least 60% of whichever is less: the shareholder's equity at the end of the previous tax year; **or** the shareholder's equity at the end of the current year.

* The **start-up period** is:

- if the corporation first issued Class A shares before February 17, 1999, the tax year in which it first issued those Class A shares and the four following tax years;
- if the corporation first issued Class A shares after February 16, 1999, the tax year in which it first issued Class A shares and the next year; or
- where the corporation completes the election in Section A on page 4 for a tax year that is included in a period described above and that ends after 1998, the start-up period **will not include** the year the election was made and all tax years after.

Notes

Eligible investments

Subsection 204.8(1) defines the terms **eligible investment** and **eligible business entity**. Attach a schedule showing the following information for **each** investment:

- the name and address of the eligible business entity and, if that entity is a partnership, the name and address of the partner authorized to file the partnership information return;
- the type of investment: share, bond, debenture, mortgage, note, or other debt obligation, guarantee or option or right to acquire a share;
- the date of investment and the amount invested;
- the total assets and the net assets, the number of employees of the eligible business entity and all corporations related to it who usually work at least 20 hours a week, and the number of employees who work less than 20 hours a week, just before the investment date;
- if the investment is in **shares** of the capital stock of a corporation that was an eligible business entity at the time the share was issued:
 - the number of shares; and
 - a description of the shares including their par value, if any, and any voting or other rights or privileges of those shares (e.g., 100 voting common shares without par value, or 500 cumulative, non-voting, 8% preference shares with a par value of \$100 each, redeemable at par);
- if the investment is a **debt obligation** of an eligible business entity, the type of debt obligation (e.g., bond, debenture, note, or similar obligation), the principal amount, interest rate, repayment terms, due date, and any other terms, rights, or conditions attached to the investment (include a description and the value of any security that the eligible business entity pledged as collateral, such as land, buildings, and inventory);
- if the investment is a **guarantee**, paragraph 204.81(6)(j) requires the LSVCC to maintain a reserve invested in any of the properties described in 2a) to 2f) on page 2 equal to the cost of the guarantee (subsection 204.81(4) deems the cost to be equal to 25% of the amount of the LSVCC's obligation under the guarantee). Give details of any guarantee and the reserve kept for it; and
- if the investment is an **option or a right to acquire a share of capital stock**, the number of shares, a description of the shares including their par value, if any, and any voting or other rights or privileges of those shares if those shares were issued at the time that the option or right was granted.

Reserves

Subsection 204.8(1) defines the term reserve. Reserves are any property described in any of paragraphs (a), (b), (c), (f), and (g) in the definition of **qualified investment** in section 204, as well as deposits with certain credit unions.

Section A

Calculating tax under subsection 204.82(1)

- Complete this section if, at any time that is both in the LSVCC's start-up period and before its venture capital business is first discontinued, the total cost of its eligible investments, less the returns of capital, and reserves is **less** than 80% of the net consideration it received for Class A shares.
- Provide the information below for the **time** in the tax year **when the excess is the greatest**.

Total consideration received for all Class A shares before the time noted above	\$	1
All amounts paid to shareholders as a return of capital on Class A shares before the time noted above	\$	2
Net consideration (line 1 minus line 2)	\$	3
80% of amount on line 3 above.....	\$	4
Reduction :		
Total cost of eligible investments at the time noted above.....	\$	5
Total cost of reserves at the time noted above.....	\$	6
Total reduction (line 5 plus line 6)	\$	7
Greatest excess during the tax year (line 4 minus line 7)	\$	8
20% of amount on line 8 above.....	\$	9
All taxes payable under subsection 204.82(1) for previous tax years.....	\$	10
Tax payable (line 9 minus line 10; if negative, enter "0").....	\$	11
Transfer the amount from line 11 to line 101 on page 1.		

Election to reduce the start-up period

I elect under subsection 204.8(1) to reduce the investment period.

Date

Signature of authorized officer

Position or office

Section B

Calculating a penalty under paragraph 204.84(a)

Complete this section for an LSVCC that issued an information return as described in paragraph 204.81(6)(c) for a share that the LSVCC issued when it was a revoked corporation.

	Number of shares	Consideration received
Shares issued in the tax year when the corporation was a revoked corporation	\$	1
Penalty under paragraph 204.84(a) equal to the consideration on line 1	\$	2
Transfer the amount from line 2 to line 102 on page 1.		

Section C

Calculating a penalty under paragraph 204.84(b)

Complete this section for an LSVCC that issued an information return (described in paragraph 204.81(6)(c)) for a subscribed share if the LSVCC did not issue the share on or before the day that is 180 days after the day the information return was issued.

	Number of shares	Consideration received
Subscribed shares not issued on or before the day that is 180 days after the day the information return was issued.....	\$	1
Penalty under paragraph 204.84(b) equal to the consideration on line 1	\$	2
Transfer the amount from line 2 to line 103 on page 1.		