Canada Revenue Agency | Agence du revenu du Canada

ELECTION CONCERNING THE ACQUISITION OF A BUSINESS OR PART OF A BUSINESS

Use this form if you are acquiring a business and you want to jointly elect with the supplier so that GST/HST does not apply to the supply of the business. You may also be eligible if you are acquiring part of a business. For more information, see the back of this form or call **1-800-959-5525**.

Note
If the supplier is a GST/HST registrant and the recipient is not a registrant, this election cannot be used.

Part A – Identification (recipient)

Name	Business Number R T
Trading name (if different from name)	Type of business
Contact person	Telephone number – –

Part B – Identification (supplier)

Name	Business Number R T
Trading name (if different from name)	Type of business
Contact person	Telephone number – –

Part C – Election

Enter the date the property was acquired by the recipient: Year Month Day

Description of property acquired (if you need more space, attach a separate sheet of paper): _____

☐ I am the **supplier** of a business or part of a business as explained on the back of this form and I jointly elect with the **recipient** to have the supply of the business or part of the business described above not subject to GST/HST.

☐ I am the **recipient** of a business or part of a business as explained on the back of this form and I jointly elect with the **supplier** to have the supply of the business or part of the business described above not subject to GST/HST.

See the back of this form for the eligibility requirements and exclusions that apply to this election.

Enter the recipient's GST/HST reporting period in which the acquisition occurred: From Year Month Day to Year Month Day

Part D – Certification (recipient)

I, _____ (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Part A is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the recipient or that I am authorized to sign on behalf of the recipient.

Position _____ Signature _____ Year Month Day

Part E – Certification (supplier)

I, _____ (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Part B is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the supplier or that I am authorized to sign on behalf of the supplier.

Position _____ Signature _____ Year Month Day

Privacy Act, Personal Information Bank number CRA PPU 080

Vous pouvez obtenir ce formulaire en français à **www.arc.gc.ca** ou au **1-800-959-3376.**

Canada

General information

Definitions

All or substantially all – generally means 90% or more.

Business – includes a profession, calling, trade, manufacture or undertaking of any kind whatever, whether the activity or undertaking is engaged in for profit, and any activity engaged in on a regular or continuous basis that involves the supply of property by way of lease, licence or similar arrangement, but does not include an office or employment.

Part of a business – generally, the Canada Revenue Agency considers part of a business to include:

- an activity that may be a functionally and physically discrete operating unit; or
- an activity that supports or is related to the broader business but is organized as a separate activity, which is capable of operating on its own.

The supply of part of a business is **not** the sale of individual assets of the business. For more information, see GST/HST Memorandum 14.4, *Sale of a Business or Part of a Business*.

Property – means any property, whether real or personal, movable or immovable, tangible or intangible, corporeal or incorporeal, and includes a right or interest of any kind, a share and a chose in action, but does not include money.

Recipient – of a supply of property or a service means:

(a) where consideration for the supply is payable under an agreement for the supply, the person who is liable under the agreement to pay that amount;

(b) where paragraph (a) does not apply and consideration is payable for the supply, the person who is liable to pay that amount; and

(c) where no amount is payable for the supply:

(i) in the case of a supply of property by way of sale, the person to whom the property is delivered or made available;

(ii) in the case of a supply of property otherwise than by way of sale, the person to whom possession or use of the property is given or made available; and

(iii) in the case of a supply of a service, the person to whom the service is rendered;

and any reference to a person to whom a supply is made shall be read as a reference to the recipient of the supply.

Registrant – means a person that is registered or has to be registered for the GST/HST.

Supplier – (vendor) means the person making the supply.

Supply – means the provision of property or a service in any way, including sale, transfer, barter, exchange, licence, rental, lease, gift, and disposition.

Who should complete this form?

Complete this form with the supplier if you are the recipient of a business or part of a business and you want to make an election so that GST/HST is not payable on the supply, with some exceptions.

Eligibility

The supplier and the recipient can jointly make this election if they meet **all** of the following conditions:

- The supplier makes a supply of a business or part of it that was established or carried on by the supplier, or that was established or carried on by another person and acquired by the supplier.
- Under the agreement for the supply, the recipient acquires ownership, possession, or use of all, or substantially all, of the property necessary for the recipient to be capable of carrying on the business or part as a business.
- One of the following situations apply:
  - the supplier and the recipient are both registrants;
  - the supplier and the recipient are both non-registrants; or
  - the supplier is a non-registrant and the recipient is a registrant.

Exclusions

This election does **not** apply to the following supplies:

- a taxable supply of a service to be rendered by the supplier;
- a taxable supply of property by way of lease, licence or similar arrangement; and
- a taxable sale of real property, if the recipient is not a GST/HST registrant.

What is the effect of the election?

When all of the eligibility requirements are met and the election is made, GST/HST is not payable on the sale of a business or part of a business, so that the supplier does not have to collect and the recipient does not have to pay the GST/HST on the supply, with some exceptions.

Where do I send this form?

A recipient who is a GST/HST registrant must send this form with their GST/HST return for the reporting period in which the acquistion was made to the address specified on the return. If you file your GST/HST return electronically, send this form to your tax centre.

When the supplier and recipient are both non-registrants, you do not need to send us this form. Instead, the recipient must keep this form or a copy, on file in case we ask to see it.

What if you need help?

For more information, go to **www.cra.gc.ca/gsthst** or call **1-800-959-5525**.