



ELECTION UNDER THE SPECIAL ATTRIBUTION METHOD FOR SELECTED LISTED FINANCIAL INSTITUTIONS AND NOTICE OF REVOCATION

Use this form when a person, other than a prescribed person or a person of a prescribed class, (the Supplier) and a selected listed financial institution (SLFI Purchaser) want to jointly elect under subsection 225.2(4) to have paragraph (c) of Element A of the special attribution method (SAM) formula in subsection 225.2(2) of the Excise Tax Act (ETA) apply to supplies made by the Supplier to the SLFI Purchaser under a subsection 150(1) election.

To make an election complete Parts A, B, C, D, E and G. To revoke an election previously made, complete Parts A, B, F and G.

This election and revocation is based on the ETA and the proposed draft Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations issued on June 30, 2010.

Form with sections: Part A - Identification of the SLFI Purchaser, Part B - Identification of the other person (the Supplier), Part C - Eligibility, Part D - Joint election, Part E - Reporting period of the SLFI Purchaser, Part F - Notice of revocation, Part G - Certification. Includes fields for names, business numbers, addresses, contact info, and dates.

## General information

### Who should complete this form?

Use this form if you are a person, other than a prescribed person or a person of a prescribed class, (the Supplier) and a selected listed financial institution (SLFI Purchaser) and you want to jointly elect under subsection 225.2(4) to have paragraph (c) of Element A of the special attribution method (SAM) formula in subsection 225.2(2) of the *Excise Tax Act* (ETA) apply to supplies made by the Supplier to the SLFI Purchaser under a subsection 150(1) election.

Currently, there is no person that is considered to be a prescribed person or a person of a prescribed class for purposes of subsection 225.2(4). Accordingly, no person is prohibited from filing this election jointly with an SLFI if the other person and the SLFI also have a joint election under subsection 150(1) of the ETA.

For reporting periods that end before July 1, 2010, this election can only be made between an SLFI Purchaser and another person who is not an SLFI (non-SLFI supplier) and will apply to supplies made by the non-SLFI supplier to the SLFI Purchaser to which a subsection 150(1) election applies.

### What is the effect of this election?

If an election under subsection 225.2(4) is made, paragraph (c) of Element A of the SAM formula requires the SLFI Purchaser to add an amount equal to the GST or the federal part of the HST calculated on the Supplier's costs to supply the property or service during a particular reporting period in which the election is in effect. The Supplier's costs referred to above would not include the salaries of the Supplier's employees, the cost of financial services, or the GST/HST.

Paragraph (b) of Element B of the SAM formula permits the SLFI Purchaser to include any input tax credit the SLFI Purchaser would have been eligible to claim if the amount included in paragraph (c) of Element A of the SAM formula was tax payable by the SLFI Purchaser in the reporting period. Also, paragraph (b) of Element F of the SAM formula permits the SLFI Purchaser to include any provincial part of the HST payable by the Supplier and included in the cost to the Supplier of supplying the property or service to the SLFI Purchaser with respect to which paragraph (c) of Element A of the SAM formula applies.

In addition, where the reporting period ends on or after July 1, 2010, and the Supplier is itself an SLFI, subparagraph (vii) of Element G<sub>2</sub> of the formula in paragraph 46(a) of the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations* issued on June 30, 2010, requires that the Supplier include an amount equal to the GST or the federal part of the HST calculated on its cost to supply the property or service to the extent that amount is required to be included by the SLFI Purchaser in paragraph (c) of Element A of the SAM formula. Subparagraph (vi) of Element G<sub>1</sub> of the formula in paragraph 46(a) of the draft *Regulations* requires that the Supplier add an amount equal to the provincial part of the HST calculated on its cost to provide the property or service.

This joint election (Form GST497) is only for supplies, to which a subsection 150(1) election applies, made by a person to an SLFI.

### How do I make this election?

To make this election you have to complete Parts A, B, C, D, E and G of this form and file it with the Minister of National Revenue on or before the day which the GST/HST return for the reporting period of the SLFI Purchaser in which the election is to become effective is required to be filed.

### How do I revoke this election?

This election must remain in effect for a minimum of one year from the effective date you indicated in Part D of this form. To revoke this election, you have to complete Parts A, B, F and G of this form and file it with the Minister of National Revenue.

Without a notice of revocation, an election under subsection 225.2(4) ends on whichever day is earlier:

- the day the subsection 150(1) election made jointly by the SLFI Purchaser and the Supplier ends;
- the day the Supplier becomes a prescribed person, or a person of a prescribed class, for the purposes of subsection 225.2(4); or
- the day the SLFI Purchaser ceases to be an SLFI.

### Definition

**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 ETA at any time 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.

#### Note

It is proposed that the definition of what constitutes a permanent establishment be expanded.

(The above definition is based on the ETA and the draft *Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations*.)

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

For more information on the different types of listed financial institutions, see GST/HST Memorandum 17.6, *Definition of "Listed Financial Institution."*

### Filing instructions

Send this completed form to your tax services office.

### What if you need help?

For more information about this form, call **1-800-959-8287**.  
If you are located in Quebec, call **1-877-960-9102**.