



**ELECTION IN RESPECT OF LOANS FROM NON-RESIDENTS**

**DO NOT USE THIS AREA**

- By virtue of this election, interest paid in Canadian currency to the **PARENT CORPORATION** in respect of money loaned to the **SUBSIDIARY CORPORATION** is not subject to withholding tax under Part XIII of the *Income Tax Act*.
- This form must be jointly completed by the non-resident corporation (the **PARENT CORPORATION**) and the person resident in Canada or the non-resident insurance corporation carrying on business in Canada (the **CREDITOR**), from whom the parent corporation has borrowed money that has been loaned, in whole or in part, at the same interest rate, to a subsidiary wholly-owned corporation (the **SUBSIDIARY CORPORATION**) resident in Canada, where all the conditions described in section 218 of the *Income Tax Act* apply.
- The principal business of the **SUBSIDIARY CORPORATION** must be the making of loans or alternatively, that subsidiary corporation must have re-loaned the money to its wholly-owned subsidiary, resident in Canada, whose principal business is the making of loans.
- The election does not apply in respect of any payment of interest made more than 12 months before the date the election was filed.
- Two completed copies of the election signed by the **PARENT CORPORATION** and the **CREDITOR** are to be filed at the Tax Centre of the **SUBSIDIARY CORPORATION**.

<b>PARENT CORPORATION</b>	NAME OF NON-RESIDENT CORPORATION	
	ADDRESS	

<b>CREDITOR</b>	NAME OF CREDITOR		S.I.N. OR BUSINESS NUMBER (BN)	
	ADDRESS		RC	
	Creditor is: <input type="checkbox"/> a resident of Canada, or <input type="checkbox"/> a non-resident insurance corporation carrying on business in Canada		TAX SERVICES OFFICE	

<b>SUBSIDIARY CORPORATION</b>	NAME		BUSINESS NUMBER (BN)	
	ADDRESS		RC	
		TAX SERVICES OFFICE		

<b>WHOLLY OWNED SUBSIDIARY OF SUBSIDIARY CORP.</b>	NAME		BUSINESS NUMBER (BN)	
	ADDRESS		RC	
	To be completed where the principal business of the <b>SUBSIDIARY CORPORATION</b> is not the making of loans, and that corporation re-loaned the borrowed money to its wholly-owned subsidiary which is resident in Canada and whose principal business is the making of loans.			

**INFORMATION REQUIRED**

1.	(a) Amount borrowed by the <b>PARENT CORPORATION</b> from the <b>CREDITOR</b> .....	\$	_____
	(b) Date on which this amount was borrowed .....		_____
	(c) Interest payable in Canadian currency at the rate of .....		_____ % per annum.
2.	(a) Amount of borrowed money specified in 1(a) that was loaned by the <b>PARENT CORPORATION</b> to its <b>SUBSIDIARY CORPORATION</b> . .....	\$	_____
	(b) Date on which this loan was made .....		_____
	(c) Interest payable at the rate of .....		_____ % per annum.
3.	Date on which loan was assigned to or acquired by the present creditor, if applicable .....		

**ELECTION AND CERTIFICATION**

The above-named **PARENT CORPORATION** and **CREDITOR** hereby jointly elect under subsection 218(3) of the *Income Tax Act* and certify that the information provided in this election is true, correct and complete in every respect.

<b>PARENT CORPORATION</b>	_____	_____	_____
	Authorized Officer	Position or Office	Date
<b>CREDITOR</b>	_____	_____	_____
	Individual or Authorized Officer	Position or Office	Date