



ELECTION NOT TO BE A PUBLIC CORPORATION

- For use by a corporation resident in Canada to elect not to be a public corporation under paragraph (c) of the definition **public corporation** in subsection 89(1) of the *Income Tax Act*.
- File one completed copy of this election on or before the date on which the corporation elects not to be a public corporation at the tax services office where the form *T2 – Corporation Income Tax Return*, is filed.
- If the directors of the corporation are entitled to administer the affairs of the corporation, attach to this form a certified copy of their resolution authorizing the election.
- If the directors of the corporation are not entitled to administer the affairs of the corporation, attach to this form a certified copy of the authorization of the making of the election by the person or persons legally entitled to administer the affairs of the corporation.
- The terms **equity share**, **insider of a corporation**, and **block of shares** are defined by Regulation 4803 of the *Income Tax Regulations*.
- The statutory declaration on page 2 must be made by a director of the corporation.
- Paragraphs and subparagraphs referred to in this form are from the definition of **public corporation** in subsection 89(1) of the federal Act.
- For more information, see Interpretation Bulletin IT-391, *Status of Corporations*.

Do not use this area

Name of corporation (print)	Business Number
Address	

Information required

	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Year</td> <td style="padding: 2px;">Month</td> <td style="padding: 2px;">Day</td> </tr> </table>	Year	Month	Day
Year	Month	Day		
<p>1. Date on which the corporation elects not to be a public corporation</p> <p>2. Attach a schedule that describes the shares. Include class, date of first issue, voting rights, preference to dividends, and other distinguishing features for each class of shares that:</p> <p style="margin-left: 20px;">a) was, at any time after the corporation last became a public corporation, listed on a designated stock exchange in Canada in subsection 262; or</p> <p style="margin-left: 20px;">b) provided the basis for an election under subparagraph b) i) or the basis for the designation of the corporation under subparagraph b) ii), and by virtue of which the corporation last became a public corporation.</p> <p>3. At the time of this election, for each class of shares referred to in 2 above:</p> <p style="margin-left: 20px;">a) insiders of the corporation must hold more than 90% of the issued and outstanding shares; and</p> <p style="margin-left: 20px;">b) the corporation must have:</p> <p style="margin-left: 40px;">i) in the case of equity shares, less than 50 shareholders other than insiders;</p> <p style="margin-left: 40px;">ii) in any other case, less than 100 shareholders other than insiders; and</p> <p style="margin-left: 20px;">c) each shareholder (or group of shareholders) other than insiders must hold no less than one block of shares having a fair market value of no less than \$500.</p> <p>Attach a list of shareholders who are insiders and their shareholdings. Also, attach a list of any shareholders who are not insiders indicating the blocks of shares held and the fair market value of the shares.</p> <p>Note The corporation, at the time of the election, must not have any other class of shares which could form the basis of an election to be a public corporation under paragraph (b) of the definition in subsection 89(1).</p>				

Election and certification

The above-named corporation elects not to be a public corporation under paragraph (c) of the definition in subsection 89(1).

I certify that the information given in this election, and in any documents attached, is true, correct, and complete.

_____	_____	_____
Date	Signature of authorized officer	Position or office

Statutory declaration

I, _____, Name of director, solemnly declare:

- that I am a director of _____
Name of corporation

_____ ;

- that to the best of my knowledge _____
Name of corporation

complies with all the conditions prescribed by subsection 4800(2) of the *Income Tax Regulations*

at the time of this election; and

- that I have made reasonable inquiry for the purpose of informing myself in this regard; and I make

this solemn declaration conscientiously believing it to be true, and knowing that it is of the same

force and effect as if made under oath.

Declared before me _____
Name of commissioner of oaths

at _____
Office, City

this _____ day of _____, _____ .
Month Year

Signature of director making the declaration

Signature of person taking declaration