## **ELECTION IN RESPECT OF THE SALE OF DEBTS RECEIVABLE**

- For use by the vendor and the purchaser of a business to elect jointly under subsection 22(1) of the Income Tax Act where:
  - all or substantially all the property used in carrying on the business in Canada of the vendor is being sold,
  - the sale includes all the debts receivable of the business of the vendor, and
  - the purchaser proposes to continue the business the vendor has been carrying on.
- Two completed copies of the election are to be filed with the return of income of either party for the year of the sale.
- Where either the vendor or the purchaser is a partnership, the election is to be signed
  by a designated partner and must be accompanied by a list of names, addresses and
  the Social Insurance Number, Business Account Number or Partnership Identification
  Number, as applicable, for each partner.
- For additional information, refer to current Interpretation Bulletin IT-188, and IT-442.

DO NOT USE THIS AREA								

	Name (Print)	S.I.N.	S.I.N., Business No. or Partnership ID. No.						
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, <u>P</u>	Address		Tax S	ervices Offic	re .	l l			
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>	Name of person to contact for additional information (Print)			Code	Telephone	e Number			
	Name (Print)		S.I.N.	, Business N	lo. or Parl	nership ID. N	0.		
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PURCHASER									
J.	Name of person to contact for additional information (Print)		Area	Code	Telephone	e Number			
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		DEBTS RECEIVABLE SOL	D ———						
					ID-4-			1	
					Date	Year	Month	Day	
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D	ate of sale								
E	ace Value of debts receivable sold that have been or w	ill be included in computing th	20						
1 (	endor's income <b>excluding</b> debts previously written off	iii be iiiciuueu iii computiiig ti se had debte	IC		\$				
V	endor's income excluding debts previously written on a	as bad debts			Ψ			_	
С	onsideration paid by the purchaser				\$				
Vendor: Deduct in computing income for taxation year									
	, · ·		Differe	ence	\$				
Purchaser: Add in computing income for taxation year				,,,,,	<u> </u>				
	ELECTION	AND STATEMENT OF CONS	SIDERATION PAID						
W	/e,(Vendor)	and							
	(Vendor)			(Pu	rchaser)				
			111111111111					.	
hereby jointly elect to have the provisions of section 22 of the <i>Income Tax Act</i> apply and jointly certify that the consideration in the amount shown above has been paid for the debts receivable sold by the vendor to the purchaser.									
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	Signature of Individual, Authorized Officer or Desig	nated Partner	Position		D	ate			
VF		nated Partner	Position		D	ate			
VE	Signature of Individual, Authorized Officer or Desig	nated Partner	Position		Di	ate			
VE	ENDOR								
VE			Position Position			ate			
	ENDOR								
	Signature of Individual, Authorized Officer or Desig								

• The above statement of consideration paid is, subject to subsection 69(1) of the *Income Tax Act*, binding upon the vendor and purchaser.

