



ELECTION IN RESPECT OF THE SALE OF DEBTS RECEIVABLE

DO NOT USE THIS AREA

- 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.

VENDOR section: Name (Print), Address, Name of person to contact for additional information (Print), S.I.N., Business No. or Partnership ID. No., Tax Services Office, Area Code, Telephone Number.

PURCHASER section: Name (Print), Address, Name of person to contact for additional information (Print), S.I.N., Business No. or Partnership ID. No., Tax Services Office, Area Code, Telephone Number.

DEBTS RECEIVABLE SOLD

DEBTS RECEIVABLE SOLD section: Date of sale, Face Value of debts receivable sold, Consideration paid by the purchaser, Vendor: Deduct in computing income for taxation year, Purchaser: Add in computing income for taxation year, Difference.

ELECTION AND STATEMENT OF CONSIDERATION PAID

We, (Vendor) and (Purchaser) hereby jointly elect to have the provisions of section 22 of the Income Tax Act 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.

Signature section: Vendor and Purchaser, Signature of Individual, Authorized Officer or Designated Partner, Position, Date.

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