



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).
- One completed copy of this election is to be filed on or before the date on which the corporation elects not to be a public corporation at the tax services office where the T2, *Corporation Income Tax Return*, is filed.
- Where the directors of the corporation are legally entitled to administer the affairs of the corporation, a certified copy of their resolution authorizing the election to be made is to be attached to each election form.
- Where the directors of the corporation are not legally entitled to administer the affairs of the corporation, 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 is to be attached to each election selection form.
- The terms "equity share," "insider of a corporation," and "block of shares" are defined by Regulation 4803.
- The "Statutory Declaration" on page 2 must be made by a director of the corporation.
- Paragraphs and subparagraphs referred to in this form are those of the definition of "public corporation" in subsection 89(1) of the *Income Tax Act*, and Regulations are those of the *Income Tax Regulations*.
- For additional information refer to the current Interpretation Bulletin IT-391.

Do not use this area

Name of corporation (print)	Corporate account / Business Number
Address	

Information required

1. Date on which the corporation elects not to be a public corporation

Year	Month	Day

2. For each class of shares that:

- (i) was, at any time after the corporation last became a public corporation, listed on a prescribed stock exchange in Canada according to Regulation 3200, or
 - (ii) 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,
- attach a schedule providing a description of the shares including class, date of first issue, voting rights, preference to dividends, and other distinguishing features.

3. At the time of this election, in respect of each class of shares referred to in 2 above:

- (a) insiders of the corporation must hold more than 90% of the issued and outstanding shares,
- (b) the corporation must have
 - (i) in the case of equity shares, less than 50 shareholders other than insiders,
 - (ii) in any other case, less than 100 shareholders other than insiders,
 and each shareholder (or group of shareholders) other than insiders must hold not less than one block of shares having a fair market value of not less than \$500.

Attach a list of shareholders who are insiders and their shareholdings, and a list of shareholders who are not insiders (if any) indicating the blocks of shares held and the fair market value of the shares.

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).

Election and certification

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

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

Date	Signature of authorized officer	Position or office
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Statutory declaration

I, _____, solemnly declare:
(Name of director)

1. That I am a director of _____
(Name of corporation)
_____ ; and

2. 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

3. 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 _____

at _____ this _____ day of _____, _____
year

(Signature of Director making the declaration)

(Signature and office of person taking declaration)