



### Election on disposition of Canadian securities

- For use by a taxpayer to elect under subsection 39(4) of the *Income Tax Act* that a Canadian security disposed of be considered to have been a capital property.
- "Canadian security" means a security (other than a prescribed security) that is a share of the capital stock of a corporation resident in Canada, a unit of a mutual fund trust or a bond, debenture, bill, note, mortgage, hypothec or similar obligation issued by a person resident in Canada.
- This election ensures, in a tax year in which a taxpayer disposes of a Canadian security, that all such securities owned by the taxpayer in that year and in any following tax year will be treated as capital property. Any disposition of such property would then result in a capital gain or loss.
- This election applies to a taxpayer who is a member of a partnership as if every Canadian security owned by the partnership were owned by the taxpayer and every Canadian security disposed of by the partnership in a fiscal period of the partnership were disposed of by the taxpayer at the end of that fiscal period.
- An election under subsection 39(4) does not apply to a disposition of a Canadian security by a taxpayer who, at the time the security is disposed of, is:
  - a trader or dealer in securities;
  - a financial institution defined by subsection 142.2(1) of the *Income Tax Act*;
  - a corporation whose principal business is to lend money or to buy debt obligations or both;
  - a non-resident;
  - or any combination of the above.
- Once an election is made it may not be cancelled.
- Attach a completed copy of this form to your income tax return.
- For more information see Interpretation Bulletin IT-479.

**Do not use this area**

Taxpayer's name in full	Social insurance number
Address	Business number
Partnership's name	Partnership business number
Description of Canadian security disposed of	Tax year 

#### Election and certification

The above taxpayer elects to have the terms of subsection 39(4) of the *Income Tax Act* apply in that the listed Canadian security disposed of, be considered to have been capital property. I certify that the information given in this election and in all documents attached is correct and complete.

\_\_\_\_\_  
Name of individual or authorized officer of the corporation

\_\_\_\_\_  
Position or title of officer

\_\_\_\_\_  
Signature of individual or authorized officer of the corporation

\_\_\_\_\_  
Date yyyy-mm-dd

See the privacy notice on your return.