



Summary of Reserves on Dispositions of Capital Property

Complete this form if you are an individual (other than a trust) who is reporting a reserve claimed on your 2020 income tax and benefit return or claiming a reserve on dispositions of capital property (including gifts of certain securities) in 2021. To determine if you are eligible to claim a reserve in 2021, see "Claiming a reserve" in Guide T4037, Capital Gains. The information on page 3 of this form explains how to calculate a capital gains reserve.

Attach a completed copy of this form to your 2021 income tax and benefit return.

Part 1 – Dispositions of capital property after November 12, 1981

A. Dispositions of qualified farm or fishing property (QFFP)

Amount of 2020 reserve for dispositions of QFFP to your child after 2011 and before April 21, 2015 (line 66840 of Form T2017 for 2020)	66815		1		
Amount of 2021 reserve for dispositions of QFFP to your child after 2012 and before April 21, 2015	66840	—	2		
Line 1 minus line 2 (if negative, show the amount in brackets)	=		▶		3
Amount of 2020 reserve for dispositions of QFFP to your child after April 20, 2015, and all other dispositions of QFFP after 2016 (line 66844 of Form T2017 for 2020)	66843		4		
Amount of 2021 reserve for dispositions of QFFP to your child after April 20, 2015, and all other dispositions of QFFP after 2017	66844	—	5		
Line 4 minus line 5 (if negative, show the amount in brackets)	=		▶	+	6
Line 3 plus line 6 (if negative, show the amount in brackets)				=	7

Complete line 66848 **only** if you are reporting or claiming reserves at line 66815, line 66840, or both for **at least two** dispositions of QFFP which originated in more than one of the years 2013, 2014, or 2015.

Enter the amount of the most recent reserves claimed on line 66840. (If you are reporting or claiming reserves for more than two dispositions at lines 66815, 66840, or both, provide a breakdown of the amounts of each reserve on a separate sheet of paper and attach it to this form.)

B. Dispositions of qualified small business corporation shares (QSBCS)

Amount of 2020 reserve for dispositions of QSBCS to your child after 2011, and all other dispositions of QSBCS after 2016 (line 66850 of Form T2017 for 2020)	66883		9		
Amount of 2021 reserve for dispositions of QSBCS to your child after 2012, and all other dispositions of QSBCS after 2017	66850	—	10		
Line 9 minus line 10 (if negative, show the amount in brackets)	=		▶	+	11
Line 7 plus line 11 (if negative, show the amount in brackets)				=	12

Complete line 66905 **only** if you are reporting or claiming reserves at line 66883, line 66850, or both for **at least two** dispositions of QSBCS that originated in more than one year after 2012.

Enter the amount of the most recent reserves claimed on line 66850. (If you are reporting or claiming reserves from more than two dispositions at lines 66883, 66850, or both, provide a breakdown of the amounts of each reserve on a separate sheet of paper and attach it to this form.)

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How do you calculate a reserve

The reserve you can claim in a tax year depends on when you disposed of the property and the type of property you disposed of. You do not have to claim the maximum reserve in a tax year (**Year A**). However, the amount you claim in a later year (**Year B**) cannot be more than the amount you claimed for that property in the previous year (**Year A**). To determine your maximum reserve for 2021, use the calculation below that applies to you.

Dispositions of capital property after November 12, 1981

If you disposed of property after November 12, 1981, the calculation you use will depend on the type of property and disposition.

All property (other than family farm or fishing property, and small business corporation shares disposed to your child, as well as donated non-qualifying securities)

You can claim a reserve up to a maximum of four years. Your reserve in each year cannot be more than the **lesser** of the following:

$$(i) \text{ Capital gain } \times \frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$$

$$(ii) \text{ Capital gain } \times \frac{\text{Enter the applicable percentage from the table}}{\text{}} \quad \text{Enter the applicable percentage from the table}$$

Year of disposition (A)	Year after the disposition (B)	
80%	1st year: 60%	3rd year: 20%
	2nd year: 40%	4th year: zero

Family farm property, family fishing property, and small business corporation shares disposed to your child

You can claim a reserve up to a maximum of nine years. Your reserve in each year cannot be more than the **lesser** of the following:

$$(i) \text{ Capital gain } \times \frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$$

$$(ii) \text{ Capital gain } \times \frac{\text{Enter the applicable percentage from the table}}{\text{}} \quad \text{Enter the applicable percentage from the table}$$

Year of disposition (A)	Year after the disposition (B)		
90%	1st year: 80%	4th year: 50%	7th year: 20%
	2nd year: 70%	5th year: 40%	8th year: 10%
	3rd year: 60%	6th year: 30%	9th year: zero

Gift of non-qualifying security (other than an excepted gift) to a qualified donee

You can claim a reserve for any tax year ending within 60 months after the time you made the gift. However, you cannot claim a reserve for a gift of non-qualifying securities for the year in which the donee disposes of the securities, or the security ceases to be a non-qualifying security, or for any following year. Your reserve in each year cannot be more than the amount of the capital gain you realized from the making of the gift.

For gifts of non-qualifying securities, the reserve you can claim **cannot be greater** than the eligible amount of the gift.

Dispositions of capital property before November 13, 1981

If you sold property before November 13, 1981, use the calculation below to determine your reserve. You should also use the calculation for property that you sold, or are considered to have sold, after November 12, 1981, if the disposition occurred in one of the following situations:

- under the terms of an offer or a written agreement made or entered into before November 13, 1981
- as a result of the property having been stolen, destroyed, or expropriated before November 13, 1981

$$\text{Capital gain } \times \frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$$

For more information and definitions of terms used in this form, see Guide T4037, Capital Gains.

See the privacy notice on your return.