



## Election of a Non-resident Corporation and a Canadian Creditor in Respect of Loans

- This form is used by a non-resident **parent corporation** and a person resident in Canada, or a non-resident insurance corporation carrying on business in Canada (**the creditor**), from whom the **parent corporation** has borrowed money that has been loaned, in whole or in part, at the same interest rate, to a **subsidiary** wholly-owned **corporation** resident in Canada where all conditions in section 218 apply.
- All legislative references are to the *Income Tax Act*.
- The principal business of the **subsidiary corporation** must be the making of loans.
- By filing this election, the interest paid is not subject to withholding tax under Part XIII.
- This form applies only to any payment of interest made 12 months or less before the date the election was filed.
- The **parent corporation** and the **creditor** must both complete this form and mail it separately from any other return to the **subsidiary corporation's** tax centre.  
Find the subsidiary corporation's tax centre address by going to [cra.gc.ca/tso](http://cra.gc.ca/tso).

Do not use this area

Name of non-resident parent corporation
Address

Name of creditor	Social insurance, trust account, or business number
Address	Tax services office
Creditor is: <input type="checkbox"/> a resident of Canada <input type="checkbox"/> a non-resident insurance corporation carrying on business in Canada	

Name of subsidiary corporation	Business number
Address	Tax services office

**When** the principal business of the subsidiary corporation is not the making of loans **and** it re-loaned the borrowed money from the creditor to its Canadian wholly-owned subsidiary whose principal business is the making of loans, complete this part.

Name of wholly-owned subsidiary of the debtor subsidiary of the non-resident parent corporation	Business number
Address	Tax services office

### Information required

1. Amount borrowed by the non-resident <b>parent corporation</b> from the <b>creditor</b> (in Canadian currency) .....	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					
Date on which the non-resident <b>parent corporation</b> borrowed the amount .....							
Rate of interest on the money borrowed .....	_____ % per year						
2. Amount that was loaned by the non-resident <b>parent corporation</b> to its <b>subsidiary</b> for money borrowed from the creditor (in Canadian currency) .....	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					
Date on which the non-resident <b>parent corporation</b> loaned the money to the <b>subsidiary corporation</b> .....							
Rate of interest on the money loaned .....	_____ % per year						
3. Date on which the loan was assigned to or acquired by the subsidiary wholly-owned corporation of the wholly-owned Canadian corporation whose principal business is not the making of loans, if applicable .....	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">Year</td> <td style="width: 33%; border-bottom: 1px solid black;">Month</td> <td style="width: 33%; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Year	Month	Day			
Year	Month	Day					

**Election and certification**

The **parent corporation** and **creditor** named on page 1 of this form, elect under subsection 218(3) and certify that the information entered on this form is true, correct and complete.

**Parent corporation**

\_\_\_\_\_  
Name of authorized officer for the parent corporation

\_\_\_\_\_  
Position or office

\_\_\_\_\_  
Signature of authorized officer for the parent corporation

\_\_\_\_\_  
Date yyyy/mm/dd

**Creditor**

\_\_\_\_\_  
Name of authorized officer for the creditor

\_\_\_\_\_  
Position or office

\_\_\_\_\_  
Signature of authorized officer for the creditor

\_\_\_\_\_  
Date yyyy/mm/dd

**Privacy statement**

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the *Act* such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at [cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html](http://cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html), Personal Information Bank CRA PPU 047.