

## PART VI TAX RETURN - TAX ON CAPITAL OF FINANCIAL INSTITUTIONS

Name of corporation	Account Number/Business Number	Taxation year-end					
·		Da	y	Mor	nth	Yea	.r
		1					

- This return is to be used by a corporation that is a financial institution at any time during a taxation year and is liable to pay capital tax under Part VI or would be liable if not for the deduction provided under subsection 190.1(3).
- This return includes changes proposed by the Minister of Finance in April, 1995, July, 1995, and the federal budget in March, 1996. These proposed changes were not law at the time of printing but we are preparing to apply them.
- Subsection 190(2) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part VI.
- A "financial institution" as defined in subsection 190(1) means:
  - 1) a bank,
  - 2) a trust company,
  - 3) a corporation that accepts deposits from the public and carries on the business of lending money on the security of real estate or investing in mortgages or hypothecs on real estate,
  - 4) a life insurance corporation that carries on business in Canada, or
  - 5) a corporation where all or substantially all of its assets are shares or debts of corporations described in any of paragraphs 1) to 4) above or in this paragraph and to which the corporation is related.
- "Long-term debt" and "reserves" have the meaning assigned by subsection 190(1).
- Parts, subsections, paragraphs and subparagraphs referred to in this return are those of the Income Tax Act.
- File the completed T2044(E) with the T2 Corporation Income Tax Return Form T2 within six months from the end of the taxation year.

	CALCULATION OF PART VI TAX						
Complete the follow	ing calculation, using the amounts determined on the next pages of this return:						
Taxable Capital Em	ployed in Canada (Amount I from page 3)	\$					
	eduction claimed by this institution (Amount N from page 4)						
	Excess						
PART VI TAX: (0.01	25) X Amount A \$	\$	В				
Where the taxation	year of the corporation is less than 51 weeks the tax payable is calculated as follows	5:					
Amount B \$	$\chi$ Number of days in the year ( ) =	\$	c				
	365						
Deduct:	Part I tax credits applied:  Current Year (amount X from page 5)  Carried forward from Box 2 on form T921						
	Surtax Credits applied:  Current Year (amount G from page 3 of form T2148 or page 5 on form T2149)  Carried forward from Box 2 on Form T962  Amount E cannot exceed amount D above		E				

T2044 E (96)

CAPITAL			
FINANCIAL INSTITUTION OTHER THAN A NON-RESIDENT LIFE I	INSURANCE CORPORA	TION	
To be completed by a financial institution other than a non-resident life insurance corporation.			
Add the following amounts computed at the end of the year.  Long-term debt	\$		
Capital stock (or, in the case of a corporation incorporated without share capital, its members' contributions).		•	
Retained earnings		•	
Contributed surplus			
Any other surpluses			
Sub-total	\$	<b>\$</b>	
Deduct:			
Deferred tay debit halance	\$		
Any deficit deducted in computing the shareholders' equity			
		· •	
Capital for the year		\$ <u></u>	F
Note: In the case of a life insurance corporation, reserves are not to be added to arrive at its Ca	ipital for the year.		
OR			
NON-RESIDENT LIFE INSURANCE CORPOR			
To be completed by a life insurance corporation that was throughout the year not resident in Cana. The total of the following amounts computed at the end of the year:	ada.		
The amount that is the greater of:  A) the amount, if any, by which its surplus funds derived from operations (as defined in subsection 138(12)) as the end of the year, computed as if no tax were payable under Part I.3 or Part VI for the year, exceeds the			
of all amounts each of which is i) an amount on which it was required to pay, or would but for subsection 219(5.2) have been required to pay tax under Part XIV for a preceding taxation year, except the portion, if any, of the amount on which tax wa payable, or would have been payable, because of subparagraph 219(4)(a)(i.1) and ii) an amount on which it was required to pay, or would but for subsection 219(5.2) have been required to pay	as		
tax under subsection 219(5.1) for the year because of the transfer of an insurance business to which subsection 138(11.5) or (11.92) has applied, and	•		
B) its attributed surplus for the year		\$	
, , ,			
Any other surpluses relating to insurance businesses carried on in Canada			
Long-term debt that may reasonably be regarded as relating to insurance businesses carried			
on in Canada			
	Sub-total	\$	(11)
Add the difference, if any, between the following:			
Reserves for the year (other than reserves for amounts payable out of segregated funds) that may reasonably be regarded as having been established in respect of insurance businesses			
carried on in Canada	\$	_(12)	
Deduct:			
The total of each reserve (other than a reserve described in subparagraph 138(3)(a)(i)) that was included in the amount			
determined in (12) above and was deducted in computing income under Part I for the year \$			
The total of each reserve described in subparagraph 138(3)(a)(i) that was included in the amount determined in (12) above and			
was deductible under subparagraph 138(3)(a)(i) in computing income under Part I for the year			
The total of each amount outstanding (including any accrued interest) as at the end of the year in respect of a policy loan (within the meaning of subsection 138(12)) made by the corporation that was deducted in computing the amount			
determined in (13) above			
Total deductions \$		(14)	// =\
Difference (12) - (14)		<u> </u>	(15) F
Capital for the year (11) + (15)		· · · · · · · · · · · · · · · · · · ·	'

To be completed by a corporation that was resident in C resident in Canada (see Note below) and, that has inve The carrying value to the corporation, of the following a corporation, that are non-segregated properties within t	stments in related financial institu assets that are owned by the con he meaning of subsection 138(12	by a life insurance corporation tions.  poration at the end of the year.		,	е
Any share of the capital stock of the related financial ins	stitutions		<del></del>		
Any long-term debt of the related financial institutions .		· · · · · · · · · · · · · · · · · · ·			
Sub-total		Φ.	\$		
Add:					
Amount of any surplus of the related institutions cont shares and long-term debts above					
Total investments in related financial institutions	as not resident in Canada through	nout the vear, the shares and	\$ long-term debt	ts of related financial ance business in	G
Canada.	TAXABLE CAPIT	A1			
Capital for the year (Amount F from page 2)	_		\$		
Deduct. Total investments in related financial institution			· · · · · · · · · · · · · · · ·		
<b>Deduct:</b> Total investments in related financial institution				·	
Taxable Capital for the taxation year			<del></del>		Н
	TAXABLE CAPITAL EMPLOYEI ITUTION OTHER THAN A LIFE		N		
Taxable Capital for the	Canadian Assets at the end of	the year C	= \$		
year (Amount H) \$ X		•	= <sup>Ψ</sup>		1
	Total Assets at the end of the	year \$		(Enter on page 1)	
CANAC	DIAN RESIDENT LIFE INSURAN	CE CODDODATION			
Taxable Capital for the Year (Amount H)		\$			
Add: Total of amounts described in clause 190.11(b)(i)(	B) (amount DD from page 6)	· · · · · · · · · · · · · · · · · · ·			J
Canadian Reserve Liabilities at year end					K
Total Reserve Liabilities at year end			\$		L
Total of Amounts described in clause 190.11(b)(i)(E) (A					M
J x K/(L+M)					(20)
Add the difference, if any, between the following:					` ,
Reserves for the year (other than reserves for amounts that may reasonably be regarded as having been estab businesses carried on in Canada	lished in respect of insurance	,	(21)		
Deduct:					
The total of each reserve (other than a reserve describe					
subparagraph 138(3)(a)(i)) that was included in the amodetermined in 21 above and was deducted in computing					
income under Part I for the year	© C	(22)			
moone under rate ror the year	· · · · · · · · · · · · · · · · · · ·				
The total of each reserve described in subparagraph					
138(3)(a)(i) that was included in the amount determined	d in 21				
above and was deductible under subparagraph 138(3)(	a)(i) in	(22)			
computing income under Part I for the year	<sup>Ф</sup>	(23)			
The total of each amount outstanding (including any ac-	crued				
interest) as at the end of the year in respect of a policy					
the meaning of subsection 138(12)) made by the corpo	•				
was deducted in computing the amount determined in 2	_	_ (24)			
Total deductions: Amounts (22) + (23) + (24)	\$	_	(25)		
Difference (Amount (21) less Amount (25))		\$	<b>&gt;</b>		(26)
Amounts (20) + (26)			\$		(27)
Amount (27) minus Amount (27) if no amount was add	_	number of days in the			
of deferred realized gains or losses		taxation year before 19	96 =		(28)
(27) or capital for the year	J	number of days in the taxation	on year		
Taxable Capital Employed in Canada (amount (27) mir	nus Amount (28))			(Enter on page 1)	I
NON BEOLETIT	OR — OR	ON TUROUS ISSUET THE YEAR			
NON-RESIDENT I	LIFE INSURANCE CORPORATION	ON THROUGHOUT THE YEA	₹K		
Taxable Capital (Amount H)			\$		(29)
Amount (29) minus Amount (29) if no amount was add		number of days in the			
of deferred realized gains or losse		taxation year before			(30)
the year	J	number of days in the taxat			
Taxable Capital Employed in Canada (amount (29) min	ous Amount (30))				1
	/			(Enter on page 1)	

	CAPITAL DED	DUCTION		
Basic amount				\$200,000,000
Add: the lesser of		\$	20,000,000 (31)	
AND				
the taxable capital employed in Canada	(Amount I) for the year (see note 1)			
less				
sub-total		\$		
1/5 of sub-total			(32)	
Lesser of amounts (31) and (32)				
Capital Deduction			\$	
Capital Deduction claimed by this institu	ution (see note 2)		\$	N N
N				(Enter on page 1)
Notes:  1. In the case of financial institutions the taxable capital employed in Canada  2. In the case of a financial institution the institution is amount (33) calculated behalf of the related group to allocated T2045 must be completed and filed with the case of the related group to allocated the complete and filed with the complete and the complete and the case of the case	of each member institution of the rel hat is not related to another financial l above. In the case of financial insti- te the capital deduction (amount (33)	lated group for the year.  I institution at the end of the itutions that are related at the manning the members of the	year, the "Capital Deduction e end of the year, an agree group. If such an agreeme	on claimed by this ment may be filed on ent is made, form
	CAPITAL ALLO	WANCE		
Basic amount				\$10,000,000
Plus the following: (See note 1 below)				
0.50 X [(lesser of \$50,000,000 and I) - \$1	0.000.0001 = (If negative, enter zero	o)		
0.25 X [(lesser of \$100,000,000 and I) - \$		•		
0.50 X [(lesser of \$300,000,000 and I) - \$	(200.000.0001 = (If negative, enter z)	ero)		
0.75 X (I-\$300,000,000) = (If negative, er	nter zero)	, 		
Capital Allowance			\$	(34)
Capital Allowance claimed by this corpora				0
<ol> <li>In the case of a life insurance co by this corporation is amount (34 may be filed on behalf of the relations</li> </ol>	in Canada of each member corporation that is not related to anoth 4) calculated above. In the case of liated group to allocate the capital allocate the dependent of the candidate and filed with this return a	ation of the related group for the life insurance corporation the insurance corporations the covance (amount (34)) among	the year. n at the end of the year, the at are related at the end of g the members of the grou	capital allowance claimed the year, an agreement p. If such an agreement is
А	ADDITIONAL TEMPORARY TAX ON	N LIFE INSURANCE CORPO	ORATIONS	
Where the corporation is a life insurance taxable capital employed in Canada for a				onal Part VI tax on the
Taxable Capital Employed in Canada (Ar	•	•		
Deduct: Capital Allowance claimed by the			Φ	
Excess Amount	· · · ·			
Excess Amount	es Amount		\$	
Additional Temporary Tax. (.01) X Exces	33 Amount		Ψ	
		OR		
Amount P \$ X	Number of days in the taxation February 25, 1992 and before	n year after 1999 (	\$	0
	303			
Additional Temporary Tax (amount P or 0	Q whichever is applicable)		\$	D
rangerary rax (amount or	a milenever to applicable)			
		·		
Where the corporation is a financial instit capital employed in Canada for a taxation Taxable Capital Employed in Canada (Ar	on year in excess of their "enhanced	rporation), subsection 190.1	(1.2) imposes an additiona	
Deduct: Enhanced capital deduction clair allocated on Form T2045(B))	med by the institution (Enter \$400,0	00,000 or, for related corpora	ations, the amount	
Excess amount				
Additional Temporary Tax: (.0015) X Exc				
	Number of days in the taxation	OR vear after		
Amount S \$X		November 1997 (	<u>)</u> =\$	T
	365	<u> </u>		
Additional Temporary Tax (amount S or	T whichever is applicable)		\$	U

## Section A

## **CALCULATION OF CURRENT YEAR PART I TAX CREDITS**

- If Amount D on page 1 is zero, you only have to complete sections A, B and D on this page.
- For 1992 and subsequent taxation years, corporations can claim a credit against their Part VI tax for the amount of Part I tax payable (excluding the amount of Canadian surtax payable). This is called Part I tax credit.
- Any Unused Part I tax credit can be carried back three years or carried forward seven years but never to a taxation year ending before 1992. The
  Unused Part I tax credit must be applied in order of the oldest first.
- Refer to subsection 190.1(6) of the Act when calculating the amount deductible under Part VI in respect of a corporation's unused surtax and Part I
  tax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim
  them.

them.	
Part I tax before deducting Part VI tax credits at line 224 and Part I.3 tax credits at line 226 of the T2 Return. (See note below) Complete Section B to determine Amount W.	_ v
Less: Part VI tax credits carried forward from pre 1992 taxation years (portion of amount AA below carried forward and	14/
entered at line 224 of the T2 return).	
Net Amount	
Less: Canadian Surtax Payable (Amount D from page 3 of Form T2148 or page 5 of Form T2149)	
Current Year Part I tax credit	= X
Complete Sections C and D below.  Note: Refer to Form T962 and Form T2148 or T2149, whichever is applicable, to determine your Part I.3 tax credits, if any, at line 226 of the T2 return.	
Section B CALCULATION OF PART VI TAX CREDIT THAT CAN BE CARRIED FORWARD AND APPLIED THIS YEAR	
Amount V above	_
Less the total of:	
Part VI tax before deducting tax credits (Amount D on page 1) Y	
The lesser of amounts D and E from page 3 of form T2148 or page 5 of form T2149	
Net Amount	Z
	_
If amount Z is positive: Amount of Part VI tax credit that may be carried forward from taxation years prior to 1992 and applied this year to reduce Part I tax payable. Refer to Box 1 on form T921 for balance of Unused Part VI tax credit. If negative, enter zero at line AA and Line W in Section A. Enter the portion of Amount AA carried forward at line W above.	AA
Note: This amount also represents the amount of Unused Part I tax credits and Unused Surtax credits from the current year that can be carried back to reduce net Part VI tax payable in post 1991 taxation years. Complete Boxes 2 and 4 on form T921 if you are carrying back Unused Part I tax credit.	
Section C CALCULATION OF CURRENT YEAR UNUSED PART VI TAX CREDIT	
Part VI tax before deducting tax credits (Amount D on page 1)	
Less: Amount X above.	_
	_
Subtotal	_ _
Total  If positive, this amount represents the amount of Unused Part I tax credits that may be carried forward from post 1991 taxation years to reduce Part VI tax payable in the current year. If negative enter zero. Refer to Box 2 on form T921 for balance of Unused	= 55
Part I tax credit	BB
Section D CALCULATION OF UNUSED PART I TAX CREDIT FOR THE CURRENT YEAR	
***************************************	
Amount H from Page 6 of the T2 Return.	-
Less the total of:	
Amount D from page 1	
Canadian Surtax Payable (Amount D from page 3 of form T2148 or page 5 of form T2149)	_
Unused Part I tax credit for the current year.	cc
Enter this amount on Form T921.	
CERTIFICATION	
Signature only required if this form is filed separately from signed T2 return.	
I,, certify that the information given on this form is, to the best of my knowledge, correct and comple	te.
(Please print)	
Date Signature of authorized person Position or office	-
2.3	

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Complete the following to determine the amounts to use on page 3 in the calculation of the taxable capital employed in Canada of a Canadian resident corporation that carried on a life insurance business.

Part A:

(9)	Reserve Liabilities per regulation 8605(2) and included in 190.11(b)(i)(E)						33
(5)	Amounts to be included in 190.11(b)(i)(B) Colums (2)-[(3)+(4)]						αα
(4)	Any additional surplus contributed into the subsidiary per regulation 8605(1)(c)						Total
(3)	Capital stock and long-term debt invested in the subsidiary per regulation 8605(1)(b)	Long-Term Debt					
E)	Capital stock and lon in the subsidiary per i	Capital					
(2)	Capital of foreign insurance subsidiary per regulation 8605(1)(a) (From column 9 in Part B)						
(1)	Name of foreign insurance subsidiary						

(enter on page 3)

(enter on page 3)

Part B:

(6)	Capital (6)-[(7)+(8)] Enter in column (2) in Part A above				
(8)	Deficit deducted in computing baracholder's equity				
(7)	Deferred tax debit balance				
(9)	Subtotal (2)+(3)+(4)+(5)				
(5)	Surpluses				
(4)	Retained earnings				
(3)	Capital stock per subparagraph 190.13(b)(ii)				
(2)	Long-term debt				
(1)	Name of foreign insurance subsidiary				

Notes:

The equity and consolidation methods of accounting shall not be used.
 Complete Part B as if the foreign insurance subsidiary was resident in Canada throughout the year.
 Include in column (3), in Part A, the cost of investments in respect of share capital or long-term debt.
 Amount in column (5), in Part A, for each subsidiary cannot be less than zero.
 Complete amounts as if the foreign life insurance subsidiary had to report to the Office of the Superintendent of Financial Institutions for that year.