



Election, or Revocation of an Election, to use the Mark-to-Market method

• Use this form if:

- you are a financial institution (as defined under subsection 142.2(1)) in the tax year, and you are electing under subsection 10.1(1) that each eligible derivative be deemed to be mark-to-market property (as defined in subsection 142.2(1));
- you are a taxpayer (other than a financial institution) or a partnership, and are electing under subsection 10.1(1) to recognize your profit or loss in respect of each eligible derivative on a mark-to-market basis under section 10.1; or
- you want to make a revocation under subsection 10.1(2) of an election previously made under subsection 10.1(1).

• All legislative references are to the *Income Tax Act*.

• An **eligible derivative** means a swap agreement, a forward purchase or sale agreement, a forward rate agreement, a futures agreement, an option agreement or a similar agreement if:

- it is held by you at any time in the tax year;
- the agreement is not a capital property, a Canadian resource property, a foreign resource property or an obligation on account of capital;
- you have audited financial statements for the tax year that were prepared using generally accepted accounting principles in respect of the tax year or, if you have not produced audited financial statements, the agreement has a readily ascertainable fair market value; and
- where the agreement is held by a financial institution, the agreement is not a **tracking property**, other than an **excluded property** (as defined in subsection 142.2(1)), of the financial institution.

• This election may be made in respect of a partnership if:

- the taxpayer making the election has the authority to act for the partnership; and
- the election is made on behalf of all members of the partnership.

If these conditions are met, and the election is a valid election for all other purposes, a valid election will be deemed to have been made by each member of the partnership.

- If this is your first time making an election under subsection 10.1(1), mail one completed copy of this election, separately from any other return, to your tax centre on or before your return's filing due date.
- If you are making a subsequent election, or are using this form for a revocation, mail one completed copy of this form to your tax centre.

Find your tax centre's address by going to canada.ca/cra-offices. If your tax centre is Jonquière, send the election or revocation to the Prince Edward Island Tax Centre.

Do not use this area

Part 1 – Identification

This form is being filed for one of the following :			
003 <input type="checkbox"/> Individual	004 <input type="checkbox"/> Corporation	005 <input type="checkbox"/> Trust	006 <input type="checkbox"/> Partnership
Name		002 Social insurance, trust account, or business number*	001
Address		Postal code	
Name of contact person		019 Telephone number	022
Mailing address (complete only if different from address above)			
<p>* If you are either a corporation, or a partnership, enter your full 15-digit account number in box 001. If you are an individual, enter your 9-digit social insurance number in box 001. If you are a trust, enter your 9-digit trust account number that start with the letter "T" in box 001.</p>			

Part 2 – Election and certification

If this is your first election being made under subsection 10.1(1), enter the first tax year you wish the election to apply

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Tax year end

Year	Month	Day

If you are making a first election under subsection 10.1(1), you must file this election with the Minister of National Revenue on or before the filing due date for the tax year you wish to elect. The first election will be valid for the tax year and for each subsequent tax year, unless the Minister has granted you permission to revoke your election under subsection 10.1(2).

If you are making a subsequent election under subsection 10.1(1), the subsequent election will be valid for the first tax year and each subsequent tax year that begins after the day this election is filed, unless the Minister has granted you permission to revoke your election under subsection 10.1(2).

The taxpayer or partnership identified in Part 1 hereby elects under subsection 10.1(1) to have the provisions of subsection 10.1(4) apply in respect of each eligible derivative

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

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Name of individual, designated partner, corporation's authorized officer, or trustee

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Position or office

Signature

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Date yyyymmdd

Part 3 – Revocation and certification

You may request a revocation under subsection 10.1(2). If the Minister grants you permission to revoke your election, the revocation will apply to each tax year that begins after the day you are notified in writing that the Minister concurs with your revocation, subject to the terms and conditions specified by the Minister.

The taxpayer or partnership identified in Part 1 hereby requests the permission of the Minister to revoke, under subsection 10.1(2), an election previously made under subsection 10.1(1)

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I certify that the information given in this revocation request, is true, correct and complete in every respect.

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Name of individual, designated partner, corporation's authorized officer, or trustee

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Position or office

Signature

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Date yyyymmdd