



## Request for Capital Dividend Account Balance Verification

- If you are a private corporation, use this schedule to summarize the components making up your capital dividend account (CDA) balance as of the date you specify below, on line 003.
- To file this form electronically, please go to [canada.ca/cra-sers](http://canada.ca/cra-sers).

Or mail one completed copy of this schedule, separately from any other return to:

Prince Edward Island Tax Centre  
275 Pope Road  
Summerside PE C1N 6A2

- Unless otherwise stated, all legislative references are to the current version of the Income Tax Act. Since CDA balance components can span several years, the current references in the Act may not apply to older components of your CDA balance. In these cases, see the version of the Act that applies for that particular year.
- For specific details about calculating the CDA balance, see the applicable legislation in the Act.
- All references to paragraphs in subsection 89(1) of the Act are under the definition of **capital dividend account**.
- If you are paying out a capital dividend from your CDA, you must first file Form T2054, Election for a Capital Dividend Under Subsection 83(2). If a capital dividend paid out under this election exceeds the balance of the CDA at the time the dividend becomes payable, you may have to pay Part III tax on the excess dividend (see section 184 of the Act).

### Part 1 – Identification

<b>002</b> Corporation's name		<b>001</b> Business number							
Address		City	Province						
		Postal code							
<b>019</b> Name of contact person	<b>024</b> Name of firm	<b>022</b> Telephone number	<b>023</b> Extension						
Capital dividend account balance as of .....		<b>003</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Year</td> <td style="width: 25%; text-align: center;">Month</td> <td style="width: 25%; text-align: center;">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							
Please check <b>yes</b> for <b>only one</b> of the following two questions:									
Is this a balance verification request? Check <b>yes</b> only if this request does not relate to a Form T2054, mentioned at line 005 .....		<b>004</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No						
(if <b>yes</b> , then the date on line 003 should be the last tax year-end, included in the CDA balance)									
Is this request related to the requirements of subsection 89(1) for Form T2054? .....		<b>005</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No						
(if <b>yes</b> , then the date on line 003 should be the earlier of the date the dividend became payable, or the first day on which any part of the dividend was paid)									

**Part 2A – CDA components (except for eligible capital property) – Summary lines for predecessor corporations (for amounts after July 13, 1990) 1 and 2**

Only complete this part of the schedule if you have any predecessor balances to report. If you do not have any predecessor balances, proceed to Part 2B.

1	2	3	4	5	6	7	8
Predecessor business number	Amalgamation date (YYYY/MM/DD)	The non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and non-deductible portion of capital losses per paragraph 89(1)(a)	Capital dividends received per paragraph 89(1)(b)	Net proceeds of a life insurance policy per paragraph 89(1)(d)	Non-taxable portion of capital gains from a trust before September 16, 2016 per paragraph 89(1)(f)	Capital dividends from a trust per paragraph 89(1)(g)	Capital dividends payable per subsection 83(2)
<u>3</u>		<u>4</u>	<u>5</u>		<u>6</u>	<u>6</u>	
080	082	084	086	088	090	092	094
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<b>Totals:</b>							

If you need more space, attach additional schedules.

- 1 For eligible capital property, see parts 3 and 7.
- 2 The CDA balance may be reduced to nil immediately before the dates referred to in those provisions if you were:
  - a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1)
  - or a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions
- 3 For amalgamations and wind-ups after **July 13, 1990**, carry over the amounts of all the CDA components of each predecessor corporation into the calculation of the CDA components of the successor or parent corporation. A negative balance in a component of a CDA of a predecessor corporation must be included in the CDA of the successor or parent corporation. Include a separate CDA calculation on a separate schedule for each predecessor corporation that **does not match** with the amounts in My Business Account.
- 4 Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.
- 5 May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.
- 6 The amounts that can be added to the CDA of the corporation in a particular tax year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

Part 2B – CDA components (except for eligible capital property) – Detail lines for filing corporation 7 and 8

1	2	3	4	5	6	7
Tax year-end or relevant date (YYYY/MM/DD)	The non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and non-deductible portion of capital losses per paragraph 89(1)(a)	Capital dividends received per paragraph 89(1)(b)	Net proceeds of a life insurance policy per paragraph 89(1)(d)	Non-taxable portion of capital gains from a trust before September 16, 2016 per paragraph 89(1)(f)	Capital dividends from a trust per paragraph 89(1)(g)	Capital dividends payable per subsection 83(2)
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100	110	120	130	140	150	160
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<b>Totals:</b>						

If you need more space, attach additional schedules.

7 For eligible capital property, see parts 3 and 7.

8 The CDA balance may be reduced to nil immediately before the dates referred to in those provisions if you were:

- a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1),
- or a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions.

9 Include as many tax years as required. Start your list with the tax year that began after the corporation last became a private corporation and that ended after 1971. End your list on the CDA balance date shown on line 003. If you are completing this schedule before your tax year-end, enter the relevant date of the activity.

10 Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.

11 May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.

12 The amounts that can be added to the CDA of the corporation in a particular tax year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

**Part 3 – CDA components – Eligible capital property (ECP)**

Record in these tables the most common amounts included in the eligible capital property (ECP) component of the CDA. This information is not meant to replace the calculation at line 400 in Part 7.

**Section A: CDA components – List of ECP acquisitions and dispositions**  
(for tax years ending before **February 28, 2000**)

	1	2	3
	Tax year-end (YYYY/MM/DD)	Cost of eligible capital property acquired	Proceeds of sale ( <b>minus</b> outlays and expenses not otherwise deductible) from the disposition of all eligible capital property
	<b>200</b>	<b>210</b>	<b>220</b>
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If you need more space, attach additional schedules.

**Section B: CDA components – List of ECP dispositions**  
(for tax years ending after **February 27, 2000** and before **January 1, 2018**)

	1	2	3	4
	Tax year-end (YYYY/MM/DD)	Cost of eligible capital property acquired	Proceeds of sale ( <b>minus</b> outlays and expenses not otherwise deductible) from the disposition of all eligible capital property	Appropriate portion of the amount deducted as a bad debt per subsection 20(4.2) or as an allowable capital loss per subsection 20(4.3).
	<b>250</b>	<b>261</b>	<b>262</b>	<b>270</b>
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If you need more space, attach additional schedules.

**Part 4 – Additional information – Capital dividends received from a corporation**

For each capital dividend received, as recorded in column 4 in Part 2A and column 3 in Part 2B, give the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

	1	2	3
	Corporation's name  <b>300</b>	Business number  <b>310</b>	Date the dividend became payable (YYYY/MM/DD)  <b>320</b>
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If you need more space, attach additional schedules.

**Part 5 – Additional information – Capital dividends received from a Trust**

For each capital dividend received, as recorded in column 7 in Part 2A and column 6 in Part 2B, give the name and trust number of the trust that paid the capital dividend and the date the dividend became payable.

	1	2	3
	Trust's name  <b>330</b>	Trust account number  <b>335</b>	Date the dividend became payable (YYYY/MM/DD)  <b>340</b>
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If you need more space, attach additional schedules.

**Part 6 – Additional information – Life insurance**

Provide the following information if the CDA balance is to include **net** life insurance proceeds.

Please attach a letter from the insurance company stating whether the life insurance policy was a taxable or non-taxable policy.

Policy 1:

<b>350</b> Name of insured individual		<b>351</b> Name of beneficiary		
<b>352</b> Policy number	<b>353</b> Adjusted cost base (ACB)	<b>354</b> Total <b>net</b> proceeds received	<b>355</b> Policy redemption date Year    Month    Day	

Policy 2:

<b>360</b> Name of insured individual		<b>361</b> Name of beneficiary		
<b>362</b> Policy number	<b>363</b> Adjusted cost base (ACB)	<b>364</b> Total <b>net</b> proceeds received	<b>365</b> Policy redemption date Year    Month    Day	

**Part 7 – CDA balance**

Include the non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and the non-deductible portion of capital losses (total of column 3 in Part 2A **plus** total of column 2 in Part 2B. If negative enter "0") ..... 7A

Capital dividends received (total of column 4 in Part 2A **plus** total of column 3 in part 2B) ..... 7B

Eligible capital property for tax years ending before January 1, 2018 ..... **400**

(as calculated per former paragraphs 89(1)(c), (c.1) and (c.2). If negative, enter "0")

Life insurance proceeds (total of column 5 in Part 2A **plus** total of column 4 in Part 2B. If negative, enter "0") ..... 7C

Life insurance CDA <sup>13</sup> ..... **410**

Non-taxable portion of capital gains from a trust before September 16, 2016 (total of column 6 in Part 2A **plus** total of column 5 in Part 2B) ..... 7D

Capital dividends from a trust (total of column 7 in Part 2A **plus** total of column 6 in Part 2B) ..... 7E

Amounts from predecessor and subsidiary corporations <sup>14</sup> ..... **420**

(For amalgamations and wind-ups before July 14, 1990 **only**)

Subtotal (**add** amounts 7A to 7E and lines 400 to 420) ..... 7F

Capital dividends that previously became payable (total of column 8 in Part 2A **plus** total of column 7 in Part 2B) ..... 7G

CDA balance (amount 7F **minus** amount 7G. If negative, write "0") ..... **430**

- 13 Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph 89(1)(e). For more information, see paragraphs 1.61 and 1.62 of Income Tax Folio S3-F2-C1, Capital Dividends.
- 14 For amalgamations and wind-ups before **July 14, 1990**, calculate the CDA balance of each predecessor or wound-up subsidiary corporation separately. Add these CDA balances to the CDA of the successor or parent corporation. Do not carry forward negative amounts, since these are considered to be nil.
- For amalgamations and wind-ups after **July 13, 1990**, please refer to part 2A above.
- For amalgamations, see paragraph 87(2)(z.1).
  - For wind-ups, see paragraph 88(1)(e.2).

**Privacy notice**

Personal information (including the SIN) is collected to administer or enforce the federal Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).