



Application for a Tax Shelter Identification Number and Undertaking to Keep Registers

Complete this form if you are a tax shelter promoter. Before you issue or sell a tax shelter or accept consideration for a tax shelter, you must apply for an identification number. You must also undertake to keep registers for the tax shelter.

Year

1 Information about the promoter

Name of promoter

Form field for Name of promoter with checkboxes for Principal and Other

Address

Postal code

Corporation

Identification number

File

IC 0001

Partnership

Identification number

File

S P

Trust

Identification number

Individual

Social insurance number

Form field for Social insurance number

2 Information about the tax shelter

Name of tax shelter

Form field for Name of tax shelter

Address

Postal code

Principal sector of activity of the tax shelter

- 01 Charters and rentals, 02 Films, videos and other recordings, 03 Franchises, 04 Hotels and motels, 05 Manufacturing, 06 Real estate development and sale, 07 Recreation, 08 Real estate rentals, 09 Research and development, 10 Limited partnership mutual fund, 11 Seismic data, 12 Software, 13 Farming, 14 Mining, 15 Oil and gas (exploration other than seismic), 16 Other (specify):

Legal form of the tax shelter

- Corporation, Partnership, Trust, Other (specify):

Location of the tax shelter's registers

Postal code

Form field for Location of the tax shelter's registers

Name of contact person

Area Code Telephone

Form field for Name of contact person

Other information

Date investment units are to be offered:

Number of units for sale

Unit price

Maximum amount of funds to be raised for the tax shelter

Form field for Date investment units are to be offered

Form field for Number of units for sale

Form field for Unit price

Form field for Maximum amount of funds to be raised for the tax shelter

3 Authorization

I authorize Revenu Québec to provide the Autorité des marchés financiers with any information needed to obtain a tax shelter identification number and any information or explanation required at a later date.

Signature of promoter or authorized signee

Date

4 Certification and undertaking

I certify that the information provided in this application and in all enclosed documents is accurate and complete. I also undertake to keep registers for the tax shelter in a place that the Minister deems acceptable.

Signature of promoter or authorized signee

Date

Do not use this space.

QAF - [ ] - [ ]

Form field for QAF identification number



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## General information

### Information

A tax shelter promoter cannot issue or sell a tax shelter nor accept consideration for a tax shelter before obtaining an identification number for the tax shelter.

The obligation to obtain an identification number applies only when the promoter issues or sells a tax shelter to an individual who is resident in Québec at the time of the transaction or accepts consideration for a tax shelter from such an individual.

If there is more than one promoter for the same tax shelter, an application for an identification number filed by one promoter releases the others from the obligation to file an application.

The Minister of Revenue assigns an identification number when this form and the prescribed information and documents are submitted and satisfactory undertaking to keep registers pertaining to the tax shelter is given. An undertaking is considered acceptable where the person who has control over the registers undertakes to keep them at his or her usual place of business in Canada.

The **identification number is valid only for the calendar year specified** in this form. Consequently, the issue and sale of a tax shelter, as well as the acceptance of consideration for the tax shelter, is permitted only during that calendar year.

### Definitions

#### Promoter

A promoter is a person, individual, corporation, partnership or trust that, in the course of business:

- issues or sells a tax shelter, or promotes the sale, issue or acquisition of a tax shelter;
- acts as an agent or adviser with respect to such activities; or
- accepts consideration for a tax shelter.

#### Tax shelter

A tax shelter can be:

- property, including a right to income, for which, based on statements and representations made or contemplated in respect of the property, it is reasonable to consider that, at the end of any taxation year ending in the four years after the date on which the interest in the property was acquired, the acquisition cost of the interest at the end of the particular taxation year, minus the value of any prescribed benefits that the purchaser (or a person with whom the purchaser is not dealing at arm's length), may receive or any benefit that the purchaser may receive directly or indirectly will be **equal to or less than** the total of the following:
  - the amount that a person that acquired an interest in the property would be entitled to deduct for the taxation year in question or for a previous taxation year, or
  - the loss (including the amount or the loss related to a right to income) that a person who acquired an interest in a partnership would be entitled to deduct for the taxation year or a previous taxation year, **and**

- any other amount related to the interest in the property that the person would be entitled to deduct in the calculation of this person's income, taxable income or income tax payable and any amount deemed paid as an instalment of income tax payable for the taxation year or a previous taxation year; or
- a gifting arrangement for which, based on statements and representations made or contemplated in respect of the arrangement, it is reasonable to consider that one of the following situations will arise:
  - the person that acquired a property under the arrangement would donate it to a qualified donee or transfer it to an authorized Québec political party, and, for the taxation years ending in the four years after the date of the arrangement, the total of the amounts that the person would be entitled to deduct from the person's income for the taxation year or a previous taxation year in respect of the arrangement, and any other amount deductible from the person's income, taxable income or income tax payable and any amount deemed paid as an instalment of income tax payable would be **equal to or greater than** the cost of the property, **minus** the value of any prescribed benefits; or
  - the person that entered into the arrangement would incur a limited-recourse debt relating to a gift made to a qualified donee or a contribution made to an authorized Québec political party.

Prescribed benefits include federal tax credits, revenue guarantees, contingent liabilities, limited-recourse amounts, at-risk adjustments and exchange or conversion rights.

However, the following types of property are not considered tax shelters:

- flow-through shares
- registered pension plans (RPPs)
- registered retirement savings plans (RRSPs)
- deferred profit-sharing plans (DPSPs)
- registered retirement income funds (RRIFs)
- registered education savings plans (RESPs)
- shares in venture capital corporations (QBICs, FTQ, CSN)
- securities eligible for the Cooperative Investment Plan (CIP)
- Capital régional et coopératif Desjardins shares

### Documents to enclose

You must enclose the following documents:

- a copy of the selling instrument and any other documents submitted or to be submitted to a securities commission or similar government agency;
- a copy of any prospectus or other document used or to be used to promote the sale of the tax shelter;
- the undertaking to keep registers for the tax shelter.

You must also provide the information relating to the tax shelter financing arrangements, the names and addresses of the persons providing financing, the type of debt instrument, the interest rate, the repayment terms and the personal or real security provided, if this information is not provided in the enclosed documents.



## Submitting the form and documents

You must send the form, the required documents and a cheque or money order for \$200 payable to the Minister of Revenue of Québec to the following address:

Revenu Québec  
3800, rue de Marly  
Québec (Québec) G1X 4A5

## Penalty

You will incur a penalty if you:

- provide false or misleading information in the application for a tax shelter identification number; or
- issue or sell a tax shelter or accept consideration for a tax shelter before an identification number has been assigned to the tax shelter.

The amount of the penalty corresponds to

- the **percentage obtained by dividing** the total amount of the consideration received or receivable from individuals for the tax shelter before precise information was submitted, or before an identification number was assigned to the tax shelter, where the individuals were resident in Québec at the time of the purchase of or investment in the tax shelter, **by** the total consideration received or receivable in respect of the tax shelter during the same period,

### multiplied by

- the **greatest** of the following amounts:
  - \$500,
  - 25% of the amount of consideration received or receivable for the tax shelter before precise information was submitted or before an identification number was assigned to the tax shelter, or
  - 25% of the total amount announced or reported as the value of the property that may be donated to a qualified donee, if the tax shelter is a gifting arrangement before precise information was submitted, or before an identification number was assigned to the tax shelter.

## Promoter's obligations

Tax shelter promoters must make reasonable efforts to ensure that every person that acquires or otherwise invests in the tax shelter, and is resident in Québec at the time of the transaction, is notified of the identification number assigned to the tax shelter.

The promoter must ensure that the following text appears on any written statement related to the tax shelter and on the copies of the information statement sent to the investors: "The identification number assigned to this tax shelter must be included in any income tax return filed by the investor. This number is issued for administrative purposes only, and does not in any way confirm the entitlement of any investor to claim tax benefits associated with the tax shelter."

The promoter must also enter the tax shelter's identification number in the upper right-hand corner of all operating statements of the tax shelter that the promoter prepares or has someone prepare.

Lastly, the promoter must keep registers for the tax shelter.

