



ELECTION CONCERNING THE ACQUISITION OF A BUSINESS OR PART OF A BUSINESS

A supplier and a recipient should use this form if they want to jointly elect so that GST/HST does not apply to the supply of a business or part of a business. For information on eligibility, see the back of this form.

Note

If the supplier is a GST/HST registrant and the recipient is not a registrant, this election cannot be used.

Part A – Identification (recipient)		
Name	Business Number	
Trading name (if different from name)	Telephone number	
Contact person	Title	Type of business

Part B – Identification (supplier)		
Name	Business Number	
Trading name (if different from name)	Telephone number	
Contact person	Title	Type of business

Part C – Eligibility		
1. Does the property supplied by the supplier and described in Part D below constitute a business or part of a business?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Does the recipient, under the agreement with the supplier, acquire the ownership, possession, or use of all or substantially all of the property required to carry on the business or part of the business?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If the supplier answered yes to question 1 and the recipient answered yes to question 2 above, they can jointly elect to have the supply of the business or part of a business described in Part D below not subject to GST/HST.		

Part D – Election		
Description of property acquired (if necessary, add on a separate sheet of paper)		
Enter the recipient's GST/HST reporting period in which the acquisition occurred:	From	To
	Year Month Day	Year Month Day
Enter the date the property was acquired by the recipient:	Year Month Day	

We, the recipient and the supplier, jointly elect to have the supply of the business or part of the business described above not be subject to GST/HST.

Note

This election is subject to the exclusions specified on the back of this form.

Part E – Certification (recipient)		
I, _____, certify that the information given on this form and in any attached documents with respect to the person identified in Part A is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the recipient or that I am authorized to sign on behalf of the recipient.		
Position	Signature	Year Month Day

Part E – Certification (supplier)		
I, _____, certify that the information given on this form and in any attached documents with respect to the person identified in Part B is, to the best of my knowledge, true, correct, and complete in every respect, and that I am the supplier or that I am authorized to sign on behalf of the supplier.		
Position	Signature	Year Month Day

General information

Definitions

All or substantially all generally means 90% or more.

Business includes a profession, calling, trade, manufacture or undertaking of any kind whatever, whether the activity or undertaking is engaged in for profit, and any activity engaged in on a regular or continuous basis that involves the supply of property by way of lease, licence or similar arrangement, but does not include an office or employment.

Property means any property, whether real or personal, movable or immovable, tangible or intangible, corporeal or incorporeal, and includes a right or interest of any kind, a share and a chose in action, but does not include money.

Recipient of a supply of property or a service means

- (a) where consideration for the supply is payable under an agreement for the supply, the person who is liable under the agreement to pay that consideration,
- (b) where paragraph (a) does not apply and consideration is payable for the supply, the person who is liable to pay that consideration, and
- (c) where no consideration is payable for the supply,
 - (i) in the case of a supply of property by way of sale, the person to whom the property is delivered or made available,
 - (ii) in the case of a supply of property otherwise than by way of sale, the person to whom possession or use of the property is given or made available, and
 - (iii) in the case of a supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be read as a reference to the recipient of the supply.

Registrant means a person who is registered, or who is required to be registered for GST/HST.

Supplier (e.g., vendor) means the person making the supply.

Supply means the provision of property or a service in any manner, including sale, transfer, barter, exchange, licence, rental, lease, gift, or disposition.

Eligibility

The supplier and the recipient can jointly make this election, so that the supplier does not have to collect and the recipient does not have to pay GST/HST on the supply of a business or part of a business, when they meet the following conditions:

- The supplier makes a supply of a business or part of it that was established or carried on by the supplier, or that was established or carried on by another person and acquired by the supplier.
- Under the agreement for the supply, the recipient acquires ownership, possession, or use of all or substantially all of the property that can reasonably be regarded as being necessary for the recipient to be capable of carrying on the business or part as a business.
- The supplier and the recipient are both registrants, non-registrants, or the supplier is a non-registrant and the recipient is a registrant.

Exclusions

This election does not apply to the following supplies:

- a taxable supply of a service to be rendered by the supplier;
- a taxable supply by way of lease, licence or similar arrangement; and
- a taxable sale of real property, if the recipient is not a GST/HST registrant.

Filing the election

A recipient who is a GST/HST registrant has to send the completed election form to the address shown on the recipient's GST/HST return on or before the day that the recipient would have been required to file a return for the first reporting period in which the GST/HST would have become payable if the supply had been made without the election being made.

Otherwise, this election form has to be kept with the recipient's records.

Do you need more information?

For more information, visit our Web site at www.cra.gc.ca/gsthst, or call us at **1-800-959-5525**.