



Election Concerning the Acquisition of a Business or Part of a Business

Use this form if you are a recipient acquiring a business and you want to jointly elect with the supplier so that GST/HST does not apply to the supply of the business.

You may also be eligible if you are acquiring part of a business. For more information, see the back of this form.

Notes

Do not use this form if you are a recipient that is a selected listed financial institution (SLFI) for Quebec Sales Tax (QST) purposes. Instead use Form RC7244, Elections Concerning the Acquisition of a Business or Part of a Business by a Recipient that is a Selected Listed Financial Institution for QST Purposes. For more information, including the definition of an SLFI for GST/HST and QST purposes, go to canada.ca/gst-hst-financial-institutions.

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

Part A – Identification (recipient)																			
Name		Business number																	
Trading name (if different from name)		Type of business																	
Contact Person		Telephone number	Extension																
Part B – Identification (supplier)																			
Name		Business number																	
Trading name (if different from name)		Type of business																	
Contact Person		Telephone number	Extension																
Part C – Election																			
See page 2 of this form for the eligibility requirements and exclusions that apply to this election.																			
Enter the date the property was acquired by the recipient:																			
<table style="width:100%; border:none;"> <tr> <td style="text-align:center;">Year</td> <td style="text-align:center;">Month</td> <td style="text-align:center;">Day</td> </tr> <tr> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> </tr> </table>				Year	Month	Day													
Year	Month	Day																	
Description of property acquired (if you need more space, attach a separate sheet of paper):																			
<input type="checkbox"/> We, the supplier and recipient of a business or part of a business, jointly elect under subsection 167(1) of the Excise Tax Act to have the supply of the business or part of the business not subject to GST/HST .																			
Enter the recipient's GST/HST reporting period in which the acquisition occurred:																			
<table style="width:100%; border:none;"> <tr> <td style="text-align:center;">From</td> <td style="text-align:center;">Year</td> <td style="text-align:center;">Month</td> <td style="text-align:center;">Day</td> <td style="text-align:center;">to</td> <td style="text-align:center;">Year</td> <td style="text-align:center;">Month</td> <td style="text-align:center;">Day</td> </tr> <tr> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> <td style="border:1px solid black; width:20px;"></td> </tr> </table>				From	Year	Month	Day	to	Year	Month	Day								
From	Year	Month	Day	to	Year	Month	Day												
Part D – Certification (recipient)																			
I, _____, certify that the information given on this form and in any attached documents																			
(print name)																			
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.																			
Signature of recipient or authorized person		Title																	
		Year Month Day																	
Part E – Certification (supplier)																			
I, _____, certify that the information given on this form and in any attached documents with																			
(print name)																			
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.																			
Signature of supplier or authorized person		Title																	
		Year Month Day																	

Personal information is collected under the Excise Tax Act to administer tax, rebates, and elections. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collection activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to: access their personal information; request corrections; or, file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 241 on Info Source at canada.ca/cra-info-source.

General information

Who should complete this form?

Complete this form with the supplier if you are the recipient of a business or part of a business and you want to make an election so that GST/HST is not payable on the supply, with some exceptions.

Note

Do not complete this form if you are a selected listed financial institution for QST purposes. Instead use Form RC7244, Elections Concerning the Acquisition of a Business or Part of a Business by a Recipient that is a Selected Listed Financial Institution for QST Purposes.

Eligibility

The supplier and the recipient can jointly make this election if they meet **all** of 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 necessary for the recipient to be capable of carrying on the business or part as a business.
- One of the following situations applies:
 - the supplier and the recipient are both registrants;
 - the supplier and the recipient are both 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 of property by way of lease, licence or similar arrangement; and
- a taxable sale of real property, if the recipient is not a GST/HST registrant.

What information should you provide in Part C as the description of the property acquired?

List the land, building, equipment, inventory, and any other property as defined on this page that has been acquired from the supplier.

This list of property is likely described in the agreement between supplier and recipient.

What is the effect of the election?

When all of the eligibility requirements are met and the election is made, GST/HST is not payable on the supply of a business or part of a business, so that the supplier does not have to collect and the recipient does not have to pay the GST/HST on the supply, with some exceptions.

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.

Part of a business – generally, part of a business includes:

- an activity that may be a functionally and physically discrete operating unit; or
- an activity that supports or is related to the broader business but is organized as a separate activity, which is capable of operating on its own.

The supply of part of a business is **not** the sale of individual assets of the business. For more information, see GST/HST Memorandum 14.4, Sale of a Business or Part of a Business.

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 amount;
- (b) where paragraph (a) does not apply and consideration is payable for the supply, the person who is liable to pay that amount; and
- (c) where no amount 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 that is registered or has to be registered for the GST/HST.

Supplier – (vendor) means the person making the supply.

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

Where do you send this form?

A recipient who is a GST/HST registrant must send this form with their GST/HST return for the reporting period in which the acquisition was made to the address specified on the return. If you file your GST/HST return electronically, send this form to your tax centre.

When the supplier and recipient are both non-registrants, you do not need to send us this form. Instead, the recipient must keep this form or a copy on file in case we ask to see it.

What if you need help?

For more information, see GST/HST Memorandum 14.4, Sale of a Business or Part of a Business, go to canada.ca/gst-hst or call **1-800-959-5525**.

To get our forms and publications, go to canada.ca/gst-hst-pub.