GST/HST 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), unless you are an SLFI for GST/HST purposes only and you want to make the election for GST/HST purposes only. Instead, use Form RC7244, GST/HST and QST Elections Concerning the Acquisition of a Business or Part of a Business by a Recipient that is a Selected Listed Financial Institution. For more information, go to [canada.ca/gst-hst-financial-institutions](http://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)**

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**Part B – Identification (supplier)**

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**Part C – Election**

See page 2 of this form for the eligibility requirements and exceptions that apply to this election.

Enter the date the property was acquired by the recipient: Year Month Day

Description of property acquired (if you need more space, attach a separate sheet of paper):

☐ 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 be subject to GST/HST.

Enter the recipient's GST/HST reporting period in which the acquisition occurred: From Year Month Day to Year Month Day

**Part D – Certification (recipient)**

I, ____________________________, (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Part A is correct and complete, 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, ____________________________, (print name), certify that the information given on this form and in any attached documents with respect to the person identified in Part B is correct and complete, 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, or request 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 241 at canada.ca/cra-info-source.
General information

Who should complete this form?
Fill out 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 use this form if you are a recipient that is an SLFI unless you are an SLFI for GST/HST purposes only and you want to make the election for GST/HST purposes only. Instead, use Form RC7244, GST/HST and QST Elections Concerning the Acquisition of a Business or Part of a Business by a Recipient that is a Selected Listed Financial Institution.

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.
  - The supplier is a non-registrant and the recipient is a registrant.

What information should you provide in Part C as the description of the property acquired?
List the land, building, equipment, inventory, road vehicles, 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 any property or service that is considered to be made under the agreement for the supply of a business or part of a business, with some exceptions. As a result, the supplier does not have to collect and the recipient does not have to pay the GST/HST on the supplies, with the following exceptions:

- 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
- a taxable supply of real property, if the recipient is not a registrant

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. It also includes any activity done 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.