



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 pages 3 and 4.

Do not use this area.

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.

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: _____ R T _____

Trading name (if different from name): _____

Type of business: _____

Contact person

Name: _____

Last name: _____

Telephone number: _____ Extension: _____

Part B – Identification (supplier)

Name: _____

Business number: _____ R T _____

Trading name (if different from name): _____

Type of business: _____

Contact person

Name: _____

Last name: _____

Telephone number: _____ Extension: _____

Part C – Election

See page 3 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:

Year			Month			Day			Year			Month			Day		

Part D – 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 correct and complete, and that I am the recipient or that I am authorized to sign on behalf of the recipient.

Name (print)		Title					
Telephone number	Extension	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 correct and complete, and that I am the supplier or that I am authorized to sign on behalf of the supplier.

Name (print)		Title					
Telephone number	Extension	Signature			Year	Month	Day

Personal information is collected for purposes of the administration or enforcement of the Excise Tax Act, Part IX, and related programs and activities including administering tax, rebates, elections, 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 interest payable, penalties, or 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 241 on Info Source 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 by way of sale, 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.

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

- an activity that may be a functionally and physically discrete operating unit
- 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 sale of individual assets of a business is **not** a supply of part of the business. For more information, see GST/HST Memorandum 14.4, Sale of a Business or Part of a Business.

Property – includes goods, real property, and intangible personal property such as trademarks, rights to use a patent, and admissions to a place of amusement, 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
- (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
 - (iii) in the case of a supply of a service, the person to whom the service is rendered

Also, 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 – means the person making the supply (for example, the vendor).

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. To get the address of your tax centre, go to canada.ca/cra-offices.

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.