



# Election or Revocation Under the Special Attribution Method for Selected Listed Financial Institutions for GST/HST and QST or only for QST Purposes

**Protected B** when completed  
Administered by the Canada Revenue Agency.

Use this form if you are:

- a selected listed financial institution (SLFI purchaser) for GST/HST and QST purposes and you want to elect under subsection 225.2(4) of the Excise Tax Act (ETA) to have paragraph (c) of Element A of the special attribution method (SAM) formula in subsection 225.2(2) of the ETA apply to supplies made to you by a person (the supplier) where an election under section 150 of the ETA applies to the supplies
- an SLFI purchaser for QST purposes only and you want to elect under section 433.17 of An Act Respecting the Québec Sales Tax Act (ARQST) to have the value of Element A in the SAM formula in section 433.16 or section 433.16.2 of the ARQST determined as if an election under subsection 225.2(4) of the ETA was in effect and applied to supplies made to you by a person (the supplier) where both an election under section 150 of the ETA and section 297.0.2.1 of the ARQST apply to the supplies

To make an election, fill out parts A, B, C, D, and F. To revoke a previously made election, fill out parts A, B, E, and F.

**Note**

**Do not use** this form if you are an SLFI for GST/HST purposes only. Instead, use Form GST497, GST/HST Election or Revocation Under the Special Attribution Method for Selected Listed Financial Institutions.

For more information, including the definition of a **selected listed financial institution** for GST/HST and QST purposes, see pages 2 and 3.

This form was created using information based, in part, on proposed amendments to the regulations related to the ETA and proposed amendments to the ARQST and regulations related to the ARQST. The publication of this form should not be taken as a statement by the Canada Revenue Agency (CRA) and Revenu Québec that such amendments will in fact become law as proposed.

## Part A – Identification of the SLFI purchaser

Name and trading name (if different from name)		Business number	
Business address		Postal code	
Contact person	Contact person's title	Telephone number for contact person	Extension

## Part B – Identification of the supplier

Name and trading name (if different from name)	Business number
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## Part C – Eligibility

You must answer **yes** to the following question to be eligible to make an election under subsection 225.2(4) of the ETA or section 433.17 of the ARQST. Do not fill out this part if you are revoking either of these elections.

Have you, the SLFI purchaser identified in Part A, made an election under section 150 of the ETA and under section 297.0.2.1 of the ARQST that is in effect with the supplier identified in Part B?  Yes  No

For more information about this election, see Form RC7227, Elections or Revocation of the Elections to Deem Certain Supplies to be Financial Services for GST/HST and QST Purposes for Selected Listed Financial Institutions.

You can make an election under subsection 225.2(4) of the ETA if you are an SLFI for GST/HST and QST purposes or under section 433.17 of the ARQST if you are an SLFI for QST purposes only.

## Part D – Election

Fill out either Section 1 or Section 2, depending on whether the SLFI purchaser is an SLFI for GST/HST **and** QST purposes or an SLFI for QST purposes only, to make this election under subsection 225.2(4) of the ETA or under section 433.17 of the ARQST. Only tick one box.

### Section 1 – The purchaser is an SLFI for GST/HST and QST purposes

The SLFI purchaser identified in Part A, elects to have paragraph (c) of Element A of the SAM formula in subsection 225.2(2) of the ETA apply to supplies made to it by the supplier identified in Part B where an election under section 150 of the ETA applies to the supplies. This election will also affect the SAM formula for QST purposes.

Enter the effective date of the election:

Year	Month	Day
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### Section 2 – The purchaser is an SLFI for QST purposes only

The SLFI purchaser identified in Part A, elects to have the value of A in the SAM formula in section 433.16 or section 433.16.2 of the ARQST determined as if an election under subsection 225.2(4) of the ETA was in effect and applied to supplies made to it by the supplier identified in Part B where both an election under section 150 of the ETA and section 297.0.2.1 of the ARQST apply to the supplies.

Enter the effective date of the election:

Year	Month	Day
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**Part E – Notice of revocation**

Fill out this part to revoke a previously made election if the election has been in effect for at least a full year. Only tick one box.

- The SLFI purchaser identified in Part A, revokes the election previously made under subsection 225.2(4) of the ETA.
- The SLFI purchaser identified in Part A, revokes the election previously made under section 433.17 or section 433.17 of the ARQST.

Enter the effective date of the revocation: 

Year	Month	Day

**Part F – Certification**

I, \_\_\_\_\_, (print name), certify that the information given on this form and in any attached documents is correct and complete, and that I am authorized to sign on behalf of the SLFI purchaser identified in Part A.

Signature of authorized person	Title	Year	Month	Day

Personal information is collected under the Excise Tax Act and An Act Respecting the Québec Sales Tax to administer tax, rebates, and elections. It may also be used for any purpose related to the enforcement of these Acts 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](http://canada.ca/cra-info-source).

**General information****Who should use this form?**

Use this form if you are an SLFI (SLFI purchaser) for GST/HST and QST purposes and you want to elect under subsection 225.2(4) of the ETA to have paragraph (c) of Element A of the SAM formula in subsection 225.2(2) of the ETA apply to supplies made to you by a person (the supplier) where an election under section 150 of the ETA applies to the supplies.

**Note**

An SLFI purchaser for GST/HST and QST purposes that makes an election under section 150 of the ETA and subsection 225.2(4) of the ETA must also make an election under section 297.0.2.1 of the ARQST.

Also use this form if you are an SLFI purchaser for QST purposes only and you want to elect under section 433.17 of the ARQST to have the value of Element A of the SAM formula in section 433.16 or section 433.16.2 of the ARQST determined as if an election under subsection 225.2(4) of the ETA was in effect and applied to supplies made to you by a person (the supplier) where both an election under section 150 of the ETA and section 297.0.2.1 of the ARQST apply to the supplies.

This form can also be used to revoke an election previously made under subsection 225.2(4) of the ETA, section 433.17 or section 433.17 of the ARQST.

**Note**

**Do not use** this form if you are an SLFI for GST/HST purposes only. Instead, use Form GST497, GST/HST Election or Revocation Under the Special Attribution Method for Selected Listed Financial Institutions.

**What is the effect of the election?****SLFI purchaser for GST/HST and QST purposes**

If you are a purchaser that is an SLFI for both GST/HST and QST purposes and you make the election, paragraph (c) of Element A of the SAM formula in subsection 225.2(2) of the ETA includes an amount equal to the GST or federal part of the HST calculated on the supplier's cost to supply the property or service during a particular reporting period in which the election is in effect.

In addition, paragraph (b) of Element B of the SAM formula in subsection 225.2(2) of the ETA includes an amount equal to any input tax credit that you would have been eligible to claim if the amount included in paragraph (c) of Element A of the SAM formula was tax payable by you in the reporting period.

For QST purposes, Element A and Element B in the SAM formula calculation under section 433.16 of the ARQST is the same as Element A and Element B in the SAM formula in subsection 225.2(2) of the ETA. In addition, Element A of the SAM formula in section 433.16.2 of the ARQST is consistent with Element A and Element B in the SAM formula in subsection 225.2(2) of the ETA and the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations.

Also, paragraph (b) of Element F of the SAM formula in subsection 225.2(2) of the ETA includes any provincial part of the HST payable by the supplier and included in the cost to the supplier of supplying the property or service to you with respect to which paragraph (c) of Element A of the SAM formula applies.

Proposed paragraph (b) of Element F of the SAM formula in section 433.16, or proposed paragraph (b) of Element D of the SAM formula in section 433.16.2, of the ARQST includes the QST payable by the supplier and included in the cost to the supplier of supplying the property or service to you where the election applies.

If you are a large business and are required to account for recaptured input tax credits in your calculation of net tax, your calculation in proposed clause (C) of A in subparagraph (i) of Element G<sub>19</sub> of paragraph 46(d) of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations (SLFI Regulations) and paragraph (c) of A for purposes of the formula in the second paragraph of section 433.16R11 in the Regulation Respecting the Québec Sales Tax (QST Regulations) includes amounts equal to the GST or federal part of the HST calculated on the supplier's costs of a supply made to you during the reporting period to which the election applies, multiplied by the specified extent of the property or service of the specified class.

**Notes**

The "supplier's costs" of supplying property or a service referred to above would not include any remuneration the supplier pays to its employees, the cost of financial services or the GST/HST.

For GST/HST purposes, as a result of amendments to subsections 225.2(2) and (4) of the ETA, consequential amendments are proposed with respect to the adapted SAM formula in subsection 48(1) of the SLFI Regulations used by a stratified investment plan and subsection 48(2) of the SLFI Regulations used by a non-stratified investment plan that has a real-time calculation method election in effect.

**SLFI purchaser for QST purposes only**

If you are a purchaser that is an SLFI for QST purposes only and you make the election, Element A of the SAM formula in the first paragraph of section 433.16 or section 433.16.2 of the ARQST would include an amount equal to the GST or the federal part of the HST calculated on the supplier's cost to supply the property or service during a particular reporting period in which the election is in effect.

In addition, Element B of the SAM formula in the first paragraph of section 433.16 of the ARQST or Element A of the SAM formula for purposes of the first paragraph of section 433.16.2 of the ARQST includes an amount equal to any input tax credit that you would have been eligible to claim if the amount was an amount you would have included in paragraph (c) of Element A of the SAM formula in subsection 225.2(2) of the ETA if you were an SLFI for GST/HST purposes.

Also, proposed paragraph (b) of Element F of the SAM formula in section 433.16 or proposed paragraph (b) of Element D of the SAM formula in section 433.16.2 of the ARQST includes any QST payable by the supplier and included in the cost to the supplier of supplying the property or service to you where the election applies.

If you are a large business and are required to account for recaptured input tax credits in your calculation of net tax, your calculation in paragraph (c) of Element A for purposes of the formula in the second paragraph of section 433.16R11 of the QST Regulations includes amounts equal to the GST or federal part of the HST calculated on the supplier's cost of a supply made to you during the reporting period to which the election applies, multiplied by the specified extent of the property or service of the specified class.

### SLFI supplier for GST/HST purposes

Where the SLFI purchaser has made a subsection 225.2(4) of the ETA election that applies to a supply made by a supplier that is an SLFI for GST/HST purposes, both of the following apply:

- the supplier includes in proposed subparagraph (v) of Element G<sub>1</sub> for purposes of the formula in paragraph 46(a) of the SLFI Regulations an amount equal to the provincial part of the HST included in the cost to the supplier to supply the property or service to the SLFI purchaser
- the supplier includes in proposed subparagraph (vi) of Element G<sub>2</sub> for purposes of the formula in paragraph 46(a) of the SLFI Regulations an amount equal to the GST or the federal part of the HST included in the cost to the supplier to supply the property or service to the SLFI purchaser

### SLFI supplier for QST purposes

Where the SLFI purchaser has made a subsection 225.2(4) of the ETA election or a section 433.17 of the ARQST election that applies to a supply made by a supplier that is an SLFI for QST purposes, both of the following apply:

- the supplier includes in proposed paragraph (e) of Element G<sub>1</sub> for purposes of the formula in the first paragraph of section 433.16R9 of the QST Regulations an amount equal to the QST included in the cost to the supplier to supply the property or service to the SLFI purchaser
- the supplier includes in proposed paragraph (b) of Element G<sub>2</sub> for purposes of the formula in the first paragraph of section 433.16R9 of the QST Regulations all amounts in subparagraph (vi) of Element G<sub>2</sub> of the SLFI Regulations

### How do you make the election?

To make an election under either subsection 225.2(4) of the ETA or section 433.17 of the ARQST, fill out parts A, B, C, D, and F.

#### Note

If the supplier is an SLFI, you must notify the supplier of the election in a manner satisfactory to the CRA and Revenue Quebec on or before the day the election becomes effective, because the election made by you will affect the supplier's net tax adjustment calculated using the SAM formula. For example, you could provide the supplier with a copy of your completed election form.

### When does the election cease to have effect?

The election ceases to have effect the **earliest** of:

- the day on which the elections made by you (the SLFI purchaser) and the supplier under section 150 of the ETA and section 297.0.2.1 of the ARQST ceases to be in effect
- the day specified in a revocation of the election
- the day on which you cease to be an SLFI

#### Note

If the supplier is an SLFI, you should notify the supplier in a manner satisfactory to the CRA and Revenue Quebec of the day the election ceases to have effect on or before that day, because the fact that your election has ceased to have effect will affect the supplier's net tax adjustment calculated using the SAM formula. For example, if you revoke this election, you could provide the supplier with a copy of your completed notice of revocation form.

### How do you revoke the election?

The election must remain in effect for a minimum of one year from the effective date you indicated in Part D of your previously completed election form. To revoke the election, fill out parts A, B, E, and F.

### Definition

**Selected listed financial institution (SLFI)** – for purposes of the GST/HST, a financial institution would generally be considered to be an SLFI throughout a reporting period in a fiscal year that ends in a tax year of the financial institution if it is a listed financial institution described in any of subparagraphs 149(1)(a)(i) to (x) of the ETA at any time in the tax year, and the financial institution has a permanent establishment in a participating province and a permanent establishment in any other province, at any time in the tax year.

For purposes of the QST, a financial institution would generally be considered to be an SLFI throughout a reporting period in a fiscal year that ends in a tax year of the financial institution if it is described in any of paragraphs 1 to 10 of the definition of listed financial institution in section 1 of the ARQST (which parallel subparagraphs 149(1)(a)(i) to (x) of the ETA) at any time in the tax year, and the financial institution has a permanent establishment in Quebec and a permanent establishment in another province, at any time in the tax year.

#### Note

For purposes of this definition, the meaning of permanent establishment is expanded for certain types of listed financial institutions such that the existence of a permanent establishment would generally be determined based on the location of the financial institution's clients, operations, unit holders, and/or plan members.

For more information, see GST/HST Memorandum 17.6.1, Definition of "Selected Listed Financial Institution".

### Books and records

Do not send us this form. Fill out and keep this form, or copies, with your books and records during the entire period the election is in effect and for six years after the election ceases to have effect.

### What if you need help?

For more information, go to [canada.ca/gst-hst-financial-institutions](http://canada.ca/gst-hst-financial-institutions), or call 1-855-666-5166.

To get our forms or publications, go to [canada.ca/gst-hst-pub](http://canada.ca/gst-hst-pub) or call 1-800-959-5525.