

INDEX

(References are to page numbers; the number
in bold refers to the chapter.)

— A —

- Adjusted cost base (ACB) of shares**, 16/70, 17/93
- Advance Pricing Arrangement (APA)**, 23/41
- Aggressive tax planning arrangements**
BEPS project, 2/42
- Allard, Marie-Pierre**, 8/1, 8/10, 8/13, 8/23, 8/35
- Amghar, Malya**, 30/1
- Anti-avoidance rules**, 12/1, 17/17
foreign affiliates dumping transactions; see *Foreign affiliate dumping (Section 212.3)*
– surplus stripping; see *Surplus stripping (Section 212.1)*
- Anti-avoidance rules re foreign affiliates (FA)**
back-to-back loans, 20/46
corporations deemed not related, 20/4
deduction, 20/35
– calculation of, 20/37
– downstream surplus, 20/36
– partnerships, 20/45
– pre-acquisition surplus, 20/42
– subsequent inclusion, 20/44
Dumping; see *Foreign affiliate dumping (Section 212.3)*
ignored transactions, 20/5
repayment of loan, 20/46
shares or interests deemed owned by person or partnership, 20/4
upstream loans rules, 20/7
– creditor affiliate, 20/11
– creditor partnership, 20/11
– exceptions, 20/34
– just across the border, 20/24
– net surplus, 20/23
– specified amount, 20/31
– specified debtor, 20/12
– surplus entitlement of a share, 20/25
– surplus entitlement percentage, 20/29

- subsection 95(6) rules; see *Subsection 95(6) anti-avoidance rules*
- upstream loans; see *Upstream loans (Sections 90(6) to (15))*
- Arm's length principle (OECD Model), 22/11**
- Arnold, Brian J., 1/11**
- Arriving in Canada**
 - commencing residency, 27/33
 - deemed acquisition, 27/33
 - tax filing requirements, 27/35
 - unwinding deferred departure tax on deemed disposition, 27/8
- Assets (real and virtual) of an enterprise, 1/17**
- Associated enterprises, 22/13**
- Auclair, Marguerite, 13/5**
- Autonomous agent**
 - see *Independent agent*
- B —**
- Baker, Philip, 9/17, 29/15**
- Base companies, 1/20**
 - see also *Conduit companies; Foreign accrual property income (FAPI)*
 - asset administration, 1/23
 - financial pivot, 1/25
 - operational, 1/25
 - primary sheltering, 1/21
 - secondary sheltering, 1/21
 - transfer pricing, 1/26
- Bélanger, Chantal, 8/1, 8/10, 8/13, 8/23, 8/35**
- Benoît-Guay, Nicolas, 5/1**
- BEPS project, 2/1, 4/34**
 - action plan, 2/6
 - aggressive tax planning arrangements disclosures (Action 12), 2/42
 - base erosion and profit shifting, 2/5
 - base erosion prevention through financial payments (Action 4), 2/18
 - controlled foreign company (CFC) rules (Action 3), 2/17
 - data, 2/38
 - digital economy (Action 1), 2/7
 - dispute resolution mechanisms (Action 14), 2/48, 28/22
 - international tax system, emergence of new, 2/56
 - harmful tax practices (Action 5), 2/21
 - high-risk transactions (Action 10), 2/36
 - hybrid mismatch arrangement (Action 2), 2/11
 - intangibles (Action 8), 2/31
 - interest deductions and other financial payments, 2/18
 - introduction, 2/5
 - monitor and evaluate effectiveness of BEPS (Action 11), 2/38
 - multilateral instrument (Action 15), 2/53, 28/1; see

- also *Multilateral Convention (OECD)*, 2016
 - mutual agreement procedure (MAP) (Action 14), 2/48
 - peer review documents (Feb. 1, 2017), 4/51
 - permanent establishment status avoidance (Action 7), 2/26, 9/47, 28/17
 - risks and capital (Action 9), 2/35
 - strategy, 2/6
 - transfer pricing (Actions 8-10), 2/30, 22/18
 - documentation (Action 13), 2/46
 - Guidelines (consequences in Canada), 23/54
 - transparency, 2/20
 - treaty abuse (Action 6), 2/23, 28/13
- BEPS 2.0 (Two pillars)**
- Fondation and origin of the two-pillar reform, 3/9-13
 - Historical background of the international tax reform, 3/3-9
 - Pillar one (E-Commerce), 3/13-24
 - Canada’s position, 3/23-24
 - Digital services tax, 3/24
 - Concurrent Unilateral solution, 3/14-15
 - rules, 3/15-23
 - Blueprint Report, 3/16-24
 - Current proposals, 3/18-23
 - Developments, 3/15-18
 - Double taxation, 3/20
 - Eligible market jurisdictions, 3/20-21
 - Excess profits, 3/20
 - Exclusion, 3/19
 - Global revenue, 3/19-20
 - Multilateral convention, 3/19-21
 - Pillar Two (Global minimum tax), 3/24-38
 - Canada’s position, 3/36-37
 - Global anti-base erosion (gloBE) model rules, 3/27-35
 - Administrative rules, 3/34
 - Allocating income to constituent entities per jurisdiction, 3/30
 - Calculating the globe income, 3/30-31
 - Computing the ETR and the top-up-tax, 3/32
 - Corporate restructuring and mergers, 3/34
 - Determining adjusted covered taxes, 3/31-32
 - Multinational choices, 3/34
 - Multinational safe harbours, 3/35
 - Scope, 3/30
 - Tax neutrality, 3/34
 - Top-up tax under the QDMTT, IIR or UTPR, 3/33-34
 - Objective, 3/24
- Bird, Richard M.**, 1/16
- Blanchard, Marie**, 16/10, 20/1
- BOAB (Business other than an active business)**, 16/48
- Branch tax**, 1/26, 11/28

- Brown, Robert D.**, 1/11 27/18, 27/19, 27/40, 27/44, 27/45, 31/20-30, 33/16
- Building or construction site or installation project**, 9/35 **Canadian corporation**, 8/18, 8/21
- Business**
defined, 9/4 **Capital export neutrality (CEN)**, 1/13, 1/14, 15/6, 16/9
- Business carried on in Canada**, 9/4 **Capital import neutrality (CIN)**, 1/15, 1/16, 15/6, 15/7, 16/8
— see also *Permanent establishment*
business (defined), 9/4
common law test, 9/4
section 253 of the ITA, 9/5
- Business other than an active business (BOAB)**, 16/48 **Carroll Report (1932-1933)**, 4/23
- C —
- Canada–Germany Convention**, 31/21-30 **Carrying on a business**, 8/20
- Canada–Netherlands Convention**, 31/21-30 **Carrying on a business in Canada**
defined, 8/20, 9/4
- Canada–New Zealand Convention**, 31/21-30 **Carve-out rule**, 16/63
- Canada–Norway Convention**, 31/21-30 **Casgrain, Sophie**, 27/1
- Canada–Spain Convention**, 31/21-30 **Cash Pooling Arrangements**
basic concepts, 14/6
— notional, 14/7
— physical, 14/6
Canadian corporations, 14/9
— deductibility of interest, 14/26
• back-to-back loan arrangements, 14/28
• deductibility of interest, 14/26
• thin capitalization rules, 14/27
- Canada–United Kingdom**, 31/21-30 — deemed dividends, withholding taxes on, 14/9
• back-to-back arrangements, 14/14
• interest rate lower than prescribed rate, 14/16
- Canada–U.S. Tax Convention**, 8/33, 8/37, 8/39, 9/37, 9/38, 11/18, 11/20, 11/23, 11/29,

- loan repaid by shareholder exception, **14/11**
 - pertinent loans exception, **14/13**
 - shareholder debt, **14/9**
 - deemed interest income, **14/20**
 - anti-avoidance rule – indirect loan, **14/25**
 - exceptions to subsection 17(1), **14/23**
 - subsection 17(1), **14/20**
 - source deductions applicable to management fees, **14/17**
 - paragraph 212(1)(a), **14/18**
 - paragraph 212(1)(b), **14/19**
 - participation of a foreign affiliate in, **14/31**
 - source deductions applicable to deemed dividends, **14/31**
 - foreign affiliate dumping transactions, **14/31**
 - income inclusion, **14/35**
 - foreign accrual property income, **14/38**
 - upstream loans, **14/35**
 - transfer pricing aspects of, **14/38**
 - allocation of cash pool benefit, **14/41**
 - deductibility of intragroup interest, **14/44**
 - intragroup loans and guarantees, **14/39**
 - remuneration of cash pool leader, **14/40**
 - transfer pricing documentation, **14/42**
- Ceasing to be resident in Canada**
— see *Departing Canada*
- CEN**
— see *Capital export neutrality (CEN)*
- Central management and control, 8/22**
- CFA**
— see *Controlled foreign affiliate (CFA)*
- Charbonneau Kaplan, Judith, 15/1**
- Charron, Jonathan, 26/1, 26/57**
- Christians, Allison, 5/1, 5/6, 5/7, 5/17, 6/1, 7/1**
- CIN**
— see *Capital import neutrality (CIN)*
- Clément, Raphaël, 11/1, 13/1**
- Collection of foreign tax debts**
Assistance in collection provided by treaty, **31/19-30**
- Convention on mutual administrative assistance in tax matters, **31/19**
 - Canada, **31/19**
 - Bilateral convention providing assistance in collection, **31/20**
 - Existing convention **31/21**
 - Revenue claims covered, **31/21-23**
 - Person covered, **31/24**

- Mechanism of assistance, **31/24-27**
 - Limitations to assistance, **31/27-28**
 - Remedies, **31/28-30**
- Revenue rule, **31/3**
- Canadian common law, **31/3-5**
 - Quebec civil law, **31/5-6**
 - Customary international law, **31/6-7**
 - Justification, **31/7-12**
 - Scope, **31/12-18**
- Common law test, 9/4**
- Comparable profit method (CPM), 22/50, 23/35, 23/51, 23/70, 23/92, 23/100, 23/101, 25/22**
- Comparable uncontrolled price method (CUP Method), 22/37, 22/50, 23/49, 23/50, 23/106, 25/19**
- Competent authorities, 5/16, 8/37, 26/15**
- Conduit companies, 1/28**
- direct, **1/30**
 - stepping stone, **1/31, 18/24, 18/35, 18/38**
 - treaty shopping, **1/29**
- Contemporaneous documentation, 23/29, 25/35**
- Control test**
- de facto*, **8/23**
 - de jure*, **8/23, 12/13, 16/26**
- Controlled foreign affiliate (CFA), 13/19, 13/50**
- see also *Foreign affiliate (FA)*
 - de facto* control test, **8/23**
 - de jure* control test, **8/23, 16/26**
 - defined, **13/19**
 - dividend from, **17/60, 17/61**
 - foreign accrual property income (FAPI), **16/32**
 - look-through rules, **16/29**
 - participating percentage, **16/32**
 - shareholder of, tax burden, **16/32**
 - vs.* foreign affiliate (FA), **16/27**
- Controlled foreign company (CFC) rules**
- see *BEPS project*
- Convention on Mutual Administrative Assistance in Tax Matters (1995), 4/14, 31/19**
- Corporate residence, 8/18**
- see also *Permanent establishment; Business carried on in Canada*
 - Canadian corporation, **8/18**
 - carrying on a business in Canada, **8/20, 9/4**
 - case law rules, **8/21**
 - central management and control, **8/22**
 - *de jure* and *de facto* control, **8/23**
 - compliance obligations, **10/33**
 - continuation in a jurisdiction, **8/21**
 - incorporation in Canada, **8/18**
 - taxable Canadian corporation, **8/21**

-
- Corresponding adjustment**, 22/12
- Cost plus method**, 22/40
- Council of the Organisation for European Economic Co-operation (OECC)**, 4/9
Fiscal Committee, 4/10
- COVID-19**
transfer pricing, 22/57
- Currency (Canadian and calculating)**, 16/60
- D —
- Darmo, Marc G.**, 18/28, 18/39
- Debt dumping and section 212.3 of the ITA**, 19/31
- Debt financing**, 19/9
- Deductions for foreign dividend**, 17/61
controlled foreign affiliate (dividend from), 17/61
exempt surplus, 17/63
foreign affiliate (dividend from), 17/61, 17/62
– deduction for non-business income tax (NBIT), 17/91
– deduction using exempt surplus, 17/63
– deduction using hybrid surplus, 17/88
• Three-step analysis, 17/89
– deduction using taxable surplus, 17/67
- pre-acquisition surplus deduction, 17/93
hybrid surplus, 17/88
individuals, 17/93
pre-acquisition surplus, 17/93
taxable surplus, 17/67
- Deemed disposition**, 27/6
- Definitions**
adjustments, 17/19
business, 9/4
carrying on a business in Canada, 8/20, 9/4
controlled foreign affiliate (CFA), 13/19
corresponding adjustment, 22/12, 22/56
cost contribution arrangement (CCA), 24/37
creditor affiliate, 20/11
creditor partnership, 20/11
deemed resident throughout the year, 17/32
designated treaty country, 17/14
earnings, 17/18
e-commerce, 29/3
entity, 16/13
equity percentage, 16/15
exempt earnings, 17/25
FAPI (subsection 95(1) of the ITA), 16/54
foreign affiliate (FA), 16/22
foreign tax credit, 15/8
government of a country, 17/14

- income from a non-qualifying business, **16/52**
 - income from an active business, **16/52**
 - income from an adventure or concern in the nature of trade, **16/52**
 - income from property, **16/53**
 - income from speculation, **16/52**
 - investment business, **16/48**
 - just across the border, **20/24**
 - loss, **17/18**
 - low value-adding intra-group services, **24/36**
 - mutual agreement procedure, **22/56**
 - net earnings, **17/22**
 - net loss, **17/22**
 - net surplus, **17/40, 20/23**
 - non-business income tax (NBIT), **15/8, 17/59, 17/91**
 - non-qualifying business, **16/48**
 - non-resident person, **11/9**
 - OEEC fiscal committee, **4/28**
 - permanent establishment, **4/28, 9/3, 9/8, 9/35, 16/13, 29/6**
 - primary adjustment, **22/54, 22/56**
 - relevant tax factor, **17/15**
 - secondary adjustment, **22/55, 22/56**
 - secondary transaction, **22/55, 22/56**
 - specified amount, **20/31**
 - specified debtor, **20/12**
 - specified non-resident shareholder (SNRS), **13/11, 13/23**
 - surplus, **17/15**
 - surplus entitlement of a share, **20/25**
 - surplus entitlement percentage, **20/29**
 - tax convention, **5/4**
 - tax treaties, **5/4**
 - taxable earnings, **17/25**
 - throughout the year, **16/42**
 - transfer price, **1/25, 22/7**
 - transfer pricing, **22/7**
 - unique and valuable contributions, **22/56**
 - U.S. resident in gratuitous transfer, **33/4**
 - whole dividend, **17/14**
- Departing Canada**
- see also *Non-residents; Social security agreements*
 - deemed dispositions, **27/6**
 - departure tax, **27/7**
 - elective disposition, **27/8**
 - information reporting, **27/14**
 - Form T1161, **27/14**
 - Form T1243, **27/15**
 - principal residence exemption, **27/23**
 - change in use of, **27/25**
 - properties subject to, **27/6**
 - sale of properties post departure, **27/8**
 - tax treaty elections, **27/9**
 - part-year return, **27/5**
 - registered education savings plan (RESP), **27/29**
 - registered retirement savings plan (RRSP), **27/29**
 - tax filing considerations, **27/5**

- tax-free savings account (TFSA),
27/29
- Departure tax, 27/6**
deferral of, 27/7
- Designated corporation, 16/43**
- Designated partnership, 16/44**
- Designated property, 18/32**
- Designated treaty country, 17/14**
- Digital economy**
— see *BEPS project*
- Digital services tax**
— see *BEPS 2.0 (Two pillars)*
- Dionne, Vincent, 31/1**
- Dividend from foreign affiliate to corporation in Canada**
— see also *Deductions for foreign dividend; Foreign tax*
90-day rule, 17/43
— cascade of dividends, 17/47
— no shares by year-end, 17/47
— upstream loans, 17/48
adjusted cost base of shares, 17/93
— repatriation of the FAPI, 17/93
— repatriation of the pre-acquisition surplus, 17/94
adjustments, 17/19
anti-avoidance rule, 17/17
capital gains treatment, 17/26, 17/60
compliance/filing, 17/94
computation of capital gains or losses, 17/15
— deductions, 17/61
— deemed to be a dividend, 17/61
— distinct foreign capital gain regime, 17/32
computation of income, 17/59
— dividend income, 17/59
— stock dividends, 17/60
currency, 17/15
definitions
— designated treaty country, 17/14
— earnings, 17/18
— exempt earnings, 17/25
— government of a country, 17/14
— loss, 17/18
— net earnings, 17/22
— net loss, 17/22
— net surplus, 17/40
— non-business income tax (NBIT), 15/8, 17/59, 17/91
— relevant tax factor, 17/15
— surplus, 17/15
— taxable earnings, 17/25
— whole dividend, 17/13
dividend income, 17/59
earnings definition, 17/17
— adjustments, 17/19
— deemed resident throughout the year, 17/32
— exempt earnings, 17/25
— net earnings, 17/22
— net loss, 17/22
— taxable earnings, 17/25

- numbers for a single share, **17/51**
- portion paid out of exempt surplus, **17/51**
- portion paid out of hybrid surplus, **17/51**
- portion paid out of pre-acquisition surplus, **17/52**
- portion paid out of taxable surplus, **17/52**
- overview of mechanisms, **17/9**
- surplus calculations, **17/35**
- exempt surplus or exempt deficit, **17/35**
- hybrid surplus and hybrid deficit, **17/38**
- net surplus, **17/40**
- taxable surplus or taxable loss, **17/37**
- whole dividend breakdown, **17/40**
- elections
 - taxable surplus before exempt surplus, **17/42**
 - taxable surplus before hybrid surplus, **17/43**
 - use of pre-acquisition surplus, **17/40**
- normal order of use, **17/40**

Documentation

— see *Contemporaneous documentation*

Double dip of interest deduction, 1/32

Double taxation, 1/22, 4/3, 4/4, 4/45, 5/4, 5/10
avoidance, **4/4**

eliminating, **2/54, 4/4, 5/4, 5/10**
minimizing methods, **15/3**

Draft Double Tax Convention (1963), 4/13

— E —

Earnings, 17/18**E-commerce**

- collection of income tax, **29/19**
- Action 1 Final report, **29/19**
 - Inclusive Framework, **29/23**
- OECD interim report, **29/23**
- collection of VAT, **29/47**
- Australia, **29/56**
- Brazil, **29/58**
- European Union, **29/54**
- government of Quebec recommendations, **29/52**
- Israel, **29/55**
- Japan, **29/57**
- New Zealand, **29/56**
- Russia, **29/57**
- South Korea, **29/58**
- United States, **29/55**

common consolidated tax base, **29/24**

defined, **29/3**

example of current taxation of (ebooks), **29/8**

GAFA tax, **29/24**

off-line transactions, **29/4**

online transactions, **29/4**

Quebec's tax legislation, **29/46**

- proposition by opposition parties, **29/53**

- taxation challenges
 - customer base, **29/9**
 - delivery, **29/9**
 - Internet Service Provider (ISP) (whether or not a dependent agent), **29/15**
 - permanent establishment and fixed place of business, **29/6**
 - place where contract concluded, **29/9**
 - source countries' infrastructure to connect with customers, **29/11**
 - toll-free number for customer service, **29/0**
 - no location of website, **29/11**
 - server location, **29/12**
 - taxation of e-commerce currently, **29/5, 29/8**
 - taxation using current rules of nexus and permanent establishment, **29/5**
 - Efficiency in tax collection, 1/16**
 - Electronic commerce, 9/26**
 - see also *E-commerce*
 - Emigration**
 - see *Departing Canada*
 - Entity, 16/13**
 - Equity financing, 19/7**
 - Equity in taxation, 1/10**
 - Equity percentage, 16/15**
 - Estate planning in Canada-U.S. context**
 - definition of U.S. resident in gratuitous transfer, **33/4**
 - estate tax, **33/12**
 - deductions, **33/12**
 - marital deduction, **33/12**
 - qualified domestic trust, **33/13**
 - gift tax, **33/4**
 - exclusions, **33/7**
 - lifetime gift exclusions, unified tax credit, **33/8, 33/14**
 - new limits until 2025, **33/9**
 - reporting requirements for gift or bequest, **33/10**
 - specific rules for non-residents, **33/11**
 - tax liability, **33/10**
 - non-resident, **33/15**
 - Estate tax, 33/12**
 - Excluded property, 16/46**
 - Exempt earnings, 17/25**
 - Exempt surplus**
 - see *Surplus*
 - Expatriates**
 - see *Departing Canada*
- F —
- FA**
 - see *Foreign affiliate (FA)*

FAPI

— see *Foreign accrual property income (FAPI)*

Financial pivot, 1/25**Financing of foreign affiliates**

active business income (ABI)
recharacterization rules,
19/11

- clause 95(2)(a)(ii)(B), **19/11**
- clause 95(2)(a)(ii)(D), **19/15**
- subparagraphs 95(2)(a)(i), (iii)
and (iv), **19/17**

connectedness and deemed dividend, **19/23**

debt dumping and section 212.3
of the ITA, **19/31**

debt financing, **19/9**

equity financing, **19/7**

foreign exchange hedging
arrangements, **19/30**

foreign exchange on indebtedness, **19/24**

preferred share rules, **19/23**

section 17 of the ITA and
non-interest bearing loans,
19/20

status issues, **19/5**

tax avoidance considerations,
19/30

**Fixed place of business, 9/8,
9/19, 9/22, 9/27, 29/6****Foreign accrual property
income (FAPI)**

— see also *Recharacterization of
income*

active business, **16/51**

adjusted cost base (ACB) of
shares, **16/70**

- decrease, **16/70**
- example, **16/71**
- increase, **16/70**
- negative, **16/70**
- repatriation of FAPI, **17/93**

business other than an active
business (BOAB), **16/48**

business types included/
excluded, **16/46**

capital gains treatment, **17/26**

carve-out rule, **16/63**

currency (Canadian and calcu-
lating), **16/60**

deduction for foreign tax, **16/66**

- deduction, **16/68**
- ordinary credit, **16/69**
- relevant tax factor, **16/67**
- timing, **16/69**

deemed resident Canadian rules,
17/32

deemed year-end, **16/63**

defined (subsection 95(1) of the
ITA), **16/54**

entity (defined), **16/13**

excluded property, **16/46**

foreign exchange restriction,
16/66

Form T1134, **17/94**

inclusion in income, **16/59, 16/62**

- Canadian rules, **16/59**
- currency calculation, **16/60**

income definitions

- income from an active busi-
ness, **16/52**

- income from an adventure or concern in the nature of trade, **16/52**
 - income from non-qualifying business, **16/52**
 - income from property, **16/53**
 - introduction, **16/7**
 - investment business, **16/35**, **16/48**
 - investment property, **16/46**
 - non-qualifying business, **16/48**
 - non-qualifying country, **16/37**
 - participating percentage, **16/32**
 - permanent establishment (defined), **16/13**
 - purpose of inclusion in income, **16/11**
 - qualifying interest, **16/36**, **16/38**, **16/41**
 - qualifying member, **16/37**, **16/40**
 - qualifying shareholder, **16/36**
 - slightly more complex structure, **16/64**
 - steps to derive tax consequences of, **16/71**
 - tracking interests (sections 95(8) to (12)), **16/75**
- Foreign accrual tax, 16/55**
- technical interpretation, **16/55**
 - withholding tax, **16/57**
- Foreign affiliate (FA)**
- see also *Anti-avoidance rules re foreign affiliates*; *Controlled foreign affiliate*; *Dividend from foreign affiliate to corporation in Canada*; *Financing of foreign affiliates*; *Recharacterization of income*
 - controlled, **16/26**, **16/27**, **16/42**
 - not controlled, **16/27**
 - defined (subsection 95(1) of the ITA), **16/22**
 - excluding quote, **16/22**, **16/23**, **16/24**, **16/25**
 - many related persons, **16/23**
 - one related person, **16/22**
 - designated (importance of word), **16/42**
 - designated corporation, **16/43**
 - designated partnership, **16/44**
 - direct entity percentage, **16/14**
 - dumping; see *Foreign affiliate dumping (Section 212.3)*
 - equity percentag, **16/15**
 - “all percentages”, **16/18**
 - defined, **16/15**
 - no corporation between “person” and “particular corporation”, **16/16**
 - one corporation between “person” and “particular corporation”, **16/17**
 - recursive definition and multiple tiers, **16/19**
 - excluded property, **16/46**
 - income definitions
 - income from an active business, **16/52**
 - income from an adventure or concern in the nature of trade, **16/52**
 - income from a non-qualifying business, **16/52**
 - income from property, **16/53**
 - income from speculation, **16/52**
 - investment property, **16/46**
 - look-through rules, **16/28**, **16/29**, **16/37**

non-qualifying country, **16/37**
participating percentage, **16/32**
qualifying interest, **16/36**,
16/38, **16/42**
qualifying member, **16/37**, **16/40**
qualifying shareholder, **16/36**
shareholder (tax burden of),
16/30
subsection 95(6) anti-avoidance
rules; see *Subsection 95(6)*
anti-avoidance rules
throughout the year, **16/42**
upstream loans; see *Upstream*
loans (Subsections 90(6)
to (15))
vs. controlled foreign affiliate
(CFA), **16/27**

**Foreign affiliate dumping
(Section 212.3)**

anti-avoidance rules, **12/49**
application conditions, **12/24**,
12/30
– CRIC controlled by non-
resident corporation, **12/28**
– investment by CRIC in
non-resident corporation,
12/24
– non-application of subsec-
tions 212.3(16) and (18), **12/31**
– subject corporation is foreign
affiliate, **12/28**
consequences of section 212.3,
12/31
– deemed dividend subject to
Part XIII tax, **12/31**
– lack of account of contributed
surplus, **12/34**
– paid-up capital reduction,
12/32

deemed dividend reduction,
12/43
dividend substitution election,
12/42
exceptions to condition of appli-
cation, **12/31**, **12/34**
– corporate reorganizations,
12/38
– more closely-held connected
business activities, **12/34**
– pertinent loan or indebted-
ness, **12/41**
introduction, March 2012
budget, **12/22**
paid-up capital adjustment,
12/46
paid-up capital reinstatement,
12/46
purpose of section 212.3, **12/24**
special rules, **12/42**

**Foreign exchange gains and
losses (tax treatment of)**

acquisition of control: loss
restriction events, **30/27**
– acquisition of control, **30/27**
– acquisition of control followed
by an amalgamation, **30/30**
applicable rate (moment of
determination of), **30/7**
– capital assets (purchase and
sale of), **30/8**
– convertible debt, **30/10**
– dividends, **30/9**
– purchase and sale of capital
assets, **30/8**
– stock exchange transactions,
30/9
calculation of gain or loss
(timing of), **30/14**

- foreign exchange gains and losses on capital account, **30/17**
 - general, **30/17**
 - on capital account – assets, **30/18**
 - on capital account – liabilities, **30/20**
 - foreign exchange gains and losses on income account, **30/15**
 - Canadian currency tax reporting, **30/4**
 - Canadian tax results, **30/4**
 - relevant spot rate, **30/5**
 - characterizing the nature of the gain or loss, **30/10**
 - foreign exchange items on capital account, **30/12**
 - foreign exchange items on current account, **30/13**
 - debt forgiveness, **30/24**
 - debt parking, **30/26**
 - foreign tax credit, **30/33**
 - functional currency election, **30/23**
 - gain or loss (characterizing the nature of), **30/10**
 - foreign exchange items on capital account, **30/12**
 - foreign exchange items on current account, **30/13**
 - gain or loss (timing of calculation), **30/14**
 - foreign exchange gains and losses on capital account, **30/17**
 - general, **30/17**
 - on capital account – assets, **30/18**
 - on capital account – liabilities, **30/20**
 - foreign exchange gains and losses on income account, **30/15**
 - on capital account – liabilities, **30/20**
 - foreign exchange gains and losses on income account, **30/15**
 - moment of determination of applicable rate, **30/7**
 - capital assets (purchase and sale of), **30/8**
 - convertible debt, **30/10**
 - dividends, **30/9**
 - purchase and sale of capital assets, **30/8**
 - stock exchange transactions, **30/9**
 - related matters, **30/24**
 - thin capitalization rules, **30/35**
 - general rules, **30/35**
 - pertinent loan or indebtedness, **30/35**
 - Repayment of a loan by a non-resident in foreign currency, **30/39-40**
 - Tax paid in foreign currency, **30/37-38**
 - timing of calculation of gain or loss, **30/14**
 - foreign exchange gains and losses on capital account, **30/17**
 - general, **30/17**
 - on capital account – assets, **30/18**
 - on capital account – liabilities, **30/20**
 - foreign exchange gains and losses on income account, **30/15**
- Foreign exchange hedging arrangements, 19/30**

- Foreign exchange on indebtedness, 19/24**
- Foreign-source income, 15/3**
— see also *Foreign tax credits*
credit, **15/8**
deduction, **15/4**
double taxation, **15/3**
exemption, **15/5**
- Foreign tax, 17/53**
foreign tax applicable hybrid (FTA-hybrid), **17/53, 17/58**
foreign tax applicable taxable (FTA-taxable), **17/53, 17/57**
hybrid underlying tax (UT-hybrid), **17/53, 17/57**
hybrid underlying tax applicable (UTA-hybrid), **17/53, 17/58**
non-business income tax (NBIT), **17/53, 17/59**
underlying foreign tax applicable (UTA-taxable), **17/53, 17/56**
underlying foreign tax taxable (UT-taxable), **17/54, 17/55**
- Foreign tax credits, 15/3**
business-income tax credit, **15/18**
calculation of, **15/20**
Canadian system, **15/7**
country-by-country calculation, **15/6, 15/10**
defined, **15/7**
departure tax planning, **27/9**
double taxation minimization, **15/3**
eligibility, **15/8**
excess credits, **15/23**
income or profits tax, **15/14**
non-business income tax credit, **15/18**
source of foreign income, **15/10**
tax payable for the year, **15/17**
types, **15/8**
unused foreign tax credit, **15/19**
- Forms**
1120, **25/48**
5471, **25/48**
5472, **25/48**
8975, **25/51**
CPT8, **27/41**
CPT56, **27/40**
NR4, **11/16, 27/32**
NR5, **11/28, 27/32**
NR6, **11/26, 27/31**
NR7-R, **27/32**
Schedule M-1, **25/48**
Schedule UTP, **25/50**
T106, **23/8, 23/43**
T1134, **26/55, 17/94**
T1135, **27/35**
T1141, **27/36**
T1142, **27/36**
T1159, **27/32**
T1161, **27/14, 27/15**
T1243, **27/15**
T1244, **27/8**
T2029, **27/12**
T2061A, **27/9**
T2091 (IND), **27/27**
T2107, **17/60**
T2203, **27/27**

— G —

Gendron, Mathieu, 12/1, 21/1

General Meeting of Government
Experts on Double Taxation
and Tax Evasion, 4/19

Gheorghiu, Laura, 30/1

Gift tax, 33/4

Global Pandemic

— see *COVID-19*

Government of a country, 17/14

Gross active business revenues,
9/39

— H —

Harmful tax practices

— see *BEPS project*

Harvey, Cindy, 8/47, 9/53, 11/37,
15/31, 16/85, 17/97, 18/41,
19/35, 27/43

High-risk transaction

transfer pricing, 2/36

Hybrid entities, 1/32

Hybrid mismatch arrangement

BEPS project (Action 2), 2/11

neutralising effects of, 28/8

— I —

Immigration

— see *Arriving in Canada*

Income computation source
from a source in a place, 10/7

Income from an active business,
16/52

Income from an adventure or
concern in the nature of
trade, 16/52

Income from a non-qualifying
business, 16/52

Income from property, 16/53

Income from speculation, 16/52,
18/29

Income recharacterization

— see *Recharacterization of income*

*Income Tax Conventions Inter-
pretation Act*, 5/4, 5/7, 5/11

Independent agent, 4/20

Insurance services, 18/39

Intangibles

— see *BEPS project*

International Chamber of
Commerce (ICC), 4/5

International tax system (emer-
gence of new), 2/56

Interpretation of tax law

basic concepts, 6/9

– bilingual, 6/15

– legal texts, hierarchy of, 6/10

– nature and source of interpre-
tation rules, 6/11

- case law, **6/12**
 - legislative sources, **6/12**
 - purpose, **6/11**
 - method, **6/17**
 - contextual, **6/27**
 - literal, **6/18**
 - modern contextual, **6/24**
 - purposive, **6/27**
 - strict, **6/18**
 - unified, **6/27**
 - role of, **6/5**
 - theories of, **6/30**
 - coherence-focused, **6/46**
 - internal consistency, **6/47**
 - presumption against tautology, **6/53**
 - presumption of consistency, **6/51**
 - presumption of uniform expression, **6/52**
 - presumption of useful effect, **6/53**
 - external contextual analysis, **6/62**
 - historical context, **6/62**
 - historical evolution, **6/63**
 - preparatory works, **6/65**
 - subsequent provisions, **6/67**
 - judicial, administrative, and doctrinal interpretation, **6/68**
 - administrative interpretation, **6/68**
 - doctrinal interpretation, **6/69**
 - judicial interpretation, **6/68**
 - outcome-focused, **6/60**
 - golden rule, **6/60**
 - rule against absurdity, **6/61**
 - purpose-focused arguments, **6/54**
 - finding the purpose, **6/57**
 - Interpretation Act, federal and Quebec, **6/55**
 - mischief rule, **6/54**
 - text-focused, **6/31**
 - deeming provisions, **6/32**
 - dynamic, **6/42**
 - Latin canons of interpretation, **6/39**
 - legal meaning, **6/36**
 - meaning attributed by other laws, **6/45**
 - ordinary meaning, **6/34**
 - static, **6/42**
 - technical sense, **6/35**
- Interpretation of tax treaties (Canadian)**
- foreign case law and legal scholarship, **7/43**
 - Income Tax Conventions Interpretation Act*, **7/4**
 - adoption of, **7/8**
 - dynamic interpretation, **7/8**
 - other interpretative matters, **7/10**
 - case history: Melford Developments, **7/5**
 - model conventions and commentaries, **7/27**
 - ambulatory interpretation of, **7/30**
 - use of, **7/28**
 - statutes implementing tax conventions, **7/13**

- precedence of the Income Tax Conventions Interpretation Act, **7/15**
- primacy of tax treaties over domestic law, **7/14**
- tax treaties, **7/16**
- interpretative provisions, **7/18**
 - equal authority of official language versions, **7/24**
 - meaning defined within Convention, **7/18**
 - meaning in context, **7/22**
 - meaning not defined within Convention, **7/19**
 - other interpretative provisions, **7/23**
- jurisprudential interpretation of, **7/16**
- seminal case: Crown Forest, **7/24**
- Vienna Convention, **7/31**
- background and subsequent agreements: article 31, **7/36**
- general rule: article 31, **7/34**
- good faith obligations: articles 26 and 27, **7/34**
- multilingual interpretation: article 33, **7/40**
- supplementary interpretive means: article 32, **7/38**
- treaty components, **7/33**

Investment business, 16/48**Investment property, 16/46****— K —****Krishna, Vern, 8/22, 8/23****— L —****Langlois, Vincent, 31/1****Latulippe, Delphine, 10/1****Latulippe, Lyne, 3/1****League of Nations, 4/5**

- Technical Committee on Double Taxation and Tax Evasion, **4/6**

Leasing of goods business, 9/26**Leaving Canada**

- see *Departing Canada*

Loan from a non-resident

- excessive interest and financing expenses limitation, **13/27**
- carryforward rules and loss restriction events, **13/33**
- disallowed interest and financing expenses, computation, **13/29**
- elections, **13/34**
- generally, **13/27, 13/35**
- in-scope taxpayers, **13/28**
- general interest deductibility rules, **13/6**
- hybrid mismatch rules, proposed, **13/6**
- thin capitalization rules, **13/9**
- back-to-back loans, **13/20**
- equity amount, **13/13**
- “equity amount” of non-resident corporations and trusts, **13/16**
- formula in subsection 18(4), **13/9**

- interest paid to CFA, **13/19**
- non-deductibility of interest (subsection 18(4)), impact, **13/24**
- outstanding debts to specified non-residents, **13/10**
- partnerships, **13/17**
- shareholder loan rules (subsection 15(2)), **13/39**

Look-through rules, 16/28, 16/29, 16/37

— M —

Loan to a non-resident (subsections 15(2) and 80.4(2), section 17)

- deemed interest benefit for non-resident debtor (subsection 80.4(2)), **13/43**
- generally, **13/38**
- imputed interest income for Canadian creditor (section 17), **13/44**
- anti-avoidance rule, indirect loan (subsection 17(2)), **13/51, 13/52**
- anti-avoidance rules (subsections 17(4)-(6), 17(14)), **13/53**
- back-to-back loans (subsection 17(11.2)), **13/53**
- controlled foreign affiliate (subsections 95(1), 17(15), 17(10), 17(12), 17(13)), **13/47**
- exceptions to subsection 17(1), **13/49, 13/50**
- interaction between section 17, subsections 15(2), 80.4(2), **13/46**
- related persons (subsections 251(2), 17(10), 17(11), 17(11.1), 17(11.3)), **13/47**
- non-resident debtor's income (subsections 15(2), 80.4(2)), **13/39**
- pertinent loan or indebtedness (PLOI) (subsection 15(2.11), section 17.1), **13/41**

Mandatory disclosure regime

BEPS project, **2/42**

Marcotte-Génier, Sara-Michelle, 13/55

Marriott, Candace M., 25/1, 25/53

Michaud, Julie, 14/1

Minimization of tax, 1/19

Model Tax Convention on Income and on Capital (OECD), 4/3

- ambulatory version, **4/33**
- building site, **9/35**
- dependent agents, **9/40**
- draft (1963), **4/13**
- electronic commerce, **9/26**
- elimination of double taxation, **4/4**
- history of, **4/3**
- League of Nations work, **4/5**
- leasing of goods, **9/26**
- OEEC work, **4/9**
- permanent establishment, **4/16**
- place of business, **9/10, 9/18**
- roaming agreements, **9/27**
- transfer pricing rules, **1/25**

- Multilateral Convention (OECD), 21, 16, 9/33, 9/50, 28/1**
 — see also *Multilateral instrument (Action 15)*
 dispute reduction mechanisms, 28/21
 hybrid mismatch arrangement, 28/8
 permanent establishment status avoidance, 28/17
 reservations, 28/6
 scope of, 28/5
 signature to entry into force, 28/7
 treaty abuse prevention, 28/13
- Multilateral instrument (Action 15), 28/1**
 application of methods for elimination of double taxation, 28/12
 Canada, 28/27
 dual resident entities, 28/11
 effects, 28/8
 introduction, 28/1
 — Action 15 and BEPS, 28/4
 — OECD/G20, 28/1
 — scope of Multilateral Convention, 28/5
 more effective dispute resolution mechanism, 28/22
 neutralizing effects of hybrid mismatch arrangements, 28/8
 preventing artificial avoidance of permanent establishment status, 28/17
 — commissionaire arrangements, 28/18
 — preparatory or auxiliary activities, 28/20
 — splitting-up of contracts, 28/21
 preventing the granting of Treaty benefits in inappropriate circumstances, 28/13
 transparent entities, 28/10
- Mutual agreement procedure (MAP)**
 BEPS project, 2/48
- N —
- Nationality-based tax, 1/9**
- Nearing, Robert W., 18/28, 18/39**
- Net earnings, 17/22**
- Net loss, 17/22**
- Net surplus**
 — see *Surplus*
- Neutrality in taxation, 1/12**
 capital export, 1/13
 capital import, 1/15
- Nikolakakis, Angelo, 2/1, 2/11, 2/17, 2/18, 2/20, 2/23, 16/10, 16/51, 16/81, 19/1**
- Nitikman, Joel, 9/17**
- Non-business income tax (NBIT), 15/8, 15/14, 15/17, 17/53, 17/59, 17/91**
- Non-interest bearing loans, 19/9**
- Non-qualifying business, 16/48**

Non-resident trusts, 26/1**Non-resident trusts (NRT)**

- change in status, **26/50**
- characterization of for Canadian tax purposes, **26/6**
- deemed contributions to, **26/35**
- deemed resident, **26/17, 26/47**
- deemed Canadian resident status, **26/39**
- deemed transfers to, **26/30**
- de facto*, **26/15**
- electing trusts, special rules for, **26/46**
- foreign reporting rules, **26/52**
 - by beneficiaries, **26/53**
 - by contributors, **26/53**
 - by the trust, **26/54**
 - of foreign affiliates, **26/55**
 - of foreign property, **26/54**
 - due diligence exception, **26/56**
 - penalties, **26/55**
- introduction, **26/5**
- NRT application rules, **26/18**
 - resident beneficiary, **26/25**
 - resident contributor, **26/19**
- Quebec rules, **26/51**
- residence, **26/11**
 - common law, **26/11**
 - Income Tax Conventions Interpretation Act, **26/14**

Non-residents, 27/1

- see also *Arriving in Canada*;
Departing Canada; *Non-resident's subsidiary*; *Withholding tax*
- carrying on business through a branch, **1/6**

- compliance obligations, **10/33**
- corporation, **10/25**
- deemed, **8/44**
- Part I tax, **27/15**
 - carrying on business in Canada, **10/15, 10/17**
 - computation of net income, **10/15**
 - computation of taxable income, **10/16**
 - effect of a tax treaty, **10/17**
 - employer obligations, **27/42**
 - employer perspective, **27/37**
 - loss of qualifying non-resident employee status, **27/38**
 - non-resident employer certification, **27/40**
 - employment in Canada, **10/14, 27/16**
 - attributing income to, **27/17**
 - income not earned in a province, **10/20**
 - interaction with Part XIII tax, **10/20**
 - losses, **10/31**
 - payment of Part I tax, **10/35**
 - priority over Part XIII tax and over Part I tax, **10/20, 10/22**
 - relief under tax treaty, **10/18, 27/19**
 - stock options, **27/8, 27/13, 27/26**
 - tax return filing requirements, **27/27**
 - taxable Canadian property (TCP), **10/26, 27/21**
 - overview, **10/26**
 - share may be TCP, **10/29**

- tax credits, **10/23**
- Part XIII tax, **27/28**
- Form T1159 (“216 return” for rental income), **27/32**
- rental income earned by non-resident, **27/32**
- section 217 election, **27/33**
- surplus stripping, **12/8**
- tax liability (Canadian domestic law), **10/6**
- taxable income earned in Canada, **10/11, 10/14**
- withholding tax, **10/36**

Non-resident’s subsidiary

- see also *Loan from non-resident*
- indirect loan arrangements, **13/51**
- loan from a non-resident, **13/5**
- repatriation of profits, **13/38**

***Nordic Convention on Income and Capital (1983)*, 4/14**

— O —

OECD Base Erosion and Profit Shifting project

- see *BEPS project*

OECD Model Tax Convention

- see *Model Tax Convention on Income and on Capital (OECD)*

Offences, penalties, punishment, 23/11

Offshore investment fund properties (section 94.1)

- criteria for application of section, **21/13**

- extension of normal reassessment period, **21/36**
- historical perspective, **21/6**
- information return, **21/35**
- normal reassessment period, extension of, **21/35**
- overview, **21/4**
- surplus repatriation rules for foreign affiliates, interactions with, **21/34**
- underlying tax policy, **21/4**

Operational base company, 1/25

— P —

Pacific Association of Tax Administrators (PATA), 23/41

Part I tax, 10/6, 10/35, 27/15

Part XIII tax, 11/5

- see also *Withholding tax (Part XIII)*
- priority of Part I tax over, **10/20**

Part XIV tax, 1/6, 11/28

Participating percentage, 16/32

Payroll deductions, 1/5

Permanent establishment

- agents (dependent only), **9/40**
- acting in ordinary course of his/her business, **9/46**
- authority to conclude contracts, **9/45**
- apportionment of income, **4/22**
- BEPS project, **2/26, 9/47**

- commissionaire arrangements, **9/47**
 - construction site, **2/29**
 - dependent agent, **2/28**
 - preparatory or auxiliary activities, **2/27**
 - building or construction site and furnishing of service in other state, **9/35**
 - business (defined), **9/4**
 - business activities, **4/24**
 - Carroll Report (1932-1933), **4/23**
 - carrying on business in Canada, **9/4**
 - carrying on business through fixed place of business, **9/8, 9/22**
 - defined, **4/28, 9/3, 9/8, 9/35, 16/13, 29/6**
 - dependent agent, **4/39**
 - electronic commerce, **9/26**
 - fixed place of business, **9/10, 9/18**
 - apportionment of income, **4/22, 4/31**
 - degree of permanence (duration), **9/20**
 - exceptions to, **9/27**
 - link between place of business and geographical point, **9/18**
 - history of definition, **4/16**
 - source country and non-residents, **4/17**
 - independent agent or status, **4/20, 9/48**
 - leasing of goods business, **9/26**
 - London draft, **4/26**
 - Mexico draft, **4/25**
 - Multilateral Convention, **9/51**
 - anti-abuse rule, **9/51**
 - OECD model convention, **4/16**
 - OEEC fiscal committee definition, **4/28**
 - place of business, **9/10**
 - preparatory or auxiliary activities, **4/35**
 - roaming agreements, **9/27**
 - services rendered, **9/38**
 - subsidiaries, **9/23**
 - through an agent, **9/41**
 - uniform rule of allocation of profits, **4/31**
- Place of business, 9/10**
- Preferred share rules, 19/23**
- Prieur, Nicole, 1/12**
- Primary adjustment, 22/12**
calculation, **22/54**
- Primary sheltering, 1/21**
- Principal residence exemption, 27/23**
- Principles of taxation**
- efficiency of collection, **1/16**
 - legitimate tax, **1/10**
 - equity, **1/10**
 - horizontal, **1/10**
 - legality and morality in tax, **1/11**
 - vertical, **1/10**
 - mandatory tax, **1/4**
 - nationality based taxation, **1/9**
 - neutrality, **1/12**
 - capital export, **1/13**

- capital import, **1/15**
- residence-based taxation, **1/8**
- source-based taxation, **1/4**
- territorial-based taxation, **1/7**

Provencher, Annick, 8/1, 9/1

— **Q** —

Qualifying interest, 16/36,
16/38, 16/42, 18/7

Qualifying member, 16/37, 18/13

Qualifying shareholder, 16/36

— **R** —

Reallocation of taxing rights

— See *BEPS 2.0 (Two pillars)*

Recharacterization of income

- income from an active business (ABI), **18/5**
- amounts paid or payable, **18/12**
 - from AFA's partnership, **18/17**
 - from another foreign affiliate, **18/15**
 - from life insurance corporation, **18/13**
 - from particular foreign affiliate's (PFA's) partnership, **18/19**
 - loan to finance an acquisition, **18/21**
- directly related activities, **18/7**
- directly related insurance activities, **18/10**

- excluded property that is not capital property, **18/28**
- factoring, **18/24**
- general conditions, **18/7**
- loans or lending assets, **18/26**
- income from a business (other than ABI), **18/30**
- designated property, **18/32**
- indebtedness and lease obligations, **18/35**
 - excluded income exception, **18/36**
 - indebtedness exception, **18/37**
 - modified 90% exception, **18/36**
- insurance subsidiary, **18/34**
- sale of property, **18/31**
- services and insurance services, **18/38, 18/39**

Relevant tax factor, 16/67, 17/15

Resale price method (RPM),
22/38

Residence (domestic law)

— see also *Corporate residence;*
Residence (tax treaties)

- Canadian domestic law (under), **8/5, 8/6**
- de facto* resident, **8/7**
- deemed non-resident, **8/44**
- deemed resident, **8/16**
- non-resident tax liability, **9/3**
- past and present habits of life, **8/9**
- permanence or purposes of stay abroad, **8/14**

regularity and length of visits to jurisdiction, **8/10**
sojourns, **8/8, 8/16, 8/35**
ties elsewhere, **8/13**
ties within jurisdiction, **8/10**
trusts, **8/24**

Residence (tax treaties)

Canada–U.S. Tax Convention, **8/33**
case studies, **8/47**
conditions of application of tax treaty, **8/32**
double taxation problem, **8/29**
impact of tax treaties, **8/29**
residence abroad, **8/31**
– corporations, **8/31**
– individuals, **8/31**
tie-breaker rules (individuals), **8/34**
– Canada–U.S. Tax Convention, **8/37**
– centre of vital interests, **8/35**
– habitual abode, **8/36**
– nationality and competent authorities, **8/37**
– permanent home, **8/35**
tie-breaker rules (other persons), **8/39**
– Canada–U.S. Tax Convention, **8/3**
• corporations, **8/39**
• entities, **8/39**
• estates, trusts, or other persons, **8/39**
• hybrid entities, **8/40**
• transparent entities, **8/39**

Residence-based tax, 1/8

Resident, 8/6
de facto, **8/7**
deemed, **8/16**
ordinarily, **8/7**

Revenue rule

— see *Collection of foreign tax debts*

Rheault, Sébastien, 14/1

Richards, Gabrielle M., 18/28, 18/39

Risks of an enterprise, 1/17

Rivard, Camille, 12/1, 21/1

Rizqy, Marwah, 2/1, 2/7, 2/26, 4/1, 28/1, 29/1, 29/2, 29/52, 29/55, 29/59, 32/1, 33/1, 33/21

Roaming agreements, 9/27

Rusak, Nadia, 26/1, 26/57

— S —

Social security agreements, 27/39

Canada Pension Plan (CPP)/Old Age Security (OAS), **27/40**

Canada–U.S. Social Security Agreement, **27/40**

Certificate of coverage (Form CPT56), **27/40**

collecting social security, **27/42**

no coverage (Form CPT8), **27/41**

Québec Pension Plan, **27/40**

working temporarily in Canada, **27/42**

- working temporarily outside
Canada, **27/40**
- Sojourns**, **8/8**, **8/16**, **8/35**
- Source-based tax**, **1/4**
- Specified non-resident share-
holder (SNRS)**
defined, **13/11**, **13/23**
outstanding debts to (ODSNR),
13/10
- Subsection 95(6) anti-avoidance
rules**
corporations deemed not related,
20/4
ignored transactions, **20/5**
introduction, **20/3**
shares/interests deemed to be
owned, **20/4**
- Surplus**
exempt, **17/17**, **17/25**, **17/35**
hybrid, **17/38**, **17/43**
net, **17/40**
normal order of use, **17/40**
pre-acquisition, **17/43**, **17/43**,
17/52, **17/93**
stripping; see *Surplus stripping*
(Section 212.1)
taxable, **17/37**, **17/42**, **17/52**,
17/67
- Surplus stripping**
(Section 212.1), **12/5**
analogy with section 84.1, **12/8**
application conditions, **12/9**
– disposition of shares in favour
of resident corporation, **12/10**
– non-arm’s length dealing,
12/11
– non-resident person, **12/9**
– subject corporation connected
to purchaser, **12/14**
consequences of section 212.1,
12/14
– deemed dividend, **12/15**
– paid-up capital reduction,
12/17
purpose of section 212.1, **12/5**
- T —
- Tax convention**
defined, **5/4**
- Tax evasion**, **4/45**
erosion of tax base, **4/45**
information sharing by tax
administration authorities,
4/47
– BEPS report, **4/49**
obstacles to agreement, **4/46**
- Tax information exchange
agreements (TIEA)**, **16/38**
- Tax treaties (status and
structure of)**
bilateral tax treaty structure,
5/10
– administration, **5/16**
– definitions, **5/10**
– preamble, **5/10**
– scope **5/12**
– sources of income, **5/13**
– title, **5/10**
binding nature, **5/6**
legal form, **5/3**

- multilateral instrument, **5/19**
- reciprocity, **5/8**
- tax information exchange agreements (TIEA), **16/38**
- Tax treatment of foreign exchange gains and losses**
 - See *Foreign exchange gains and losses (tax treatment of)*
- Taxable Canadian corporation**, **8/21**
- Taxable earnings**, **17/25**
- Territorial-based tax**, **1/7**
- Thin capitalization rules**, **2/18**, **2/26**, **12/20**, **13/9**, **13/29**, **19/32**
 - back-to-back loans, **13/20**
 - overview, **13/9**
 - partnerships, **13/24**
- Throughout the year**
 - defined, **16/42**
- Tie-breaker rules**, **8/34**
- TIEA (Tax information exchange agreements)**, **16/38**
- Tracking interests**
 - (sections 95(8) to (12)), **16/75**
- Transactional net margin method (TNMM)**, **22/41**
- Transactional profit split method**, **22/42**
- Transfer price**
 - defined, **1/26**, **22/7**
- Transfer pricing – Canadian rules**
 - see also *Transfer pricing – OECD Guidelines*
 - adjustment, **23/12**
 - secondary transaction and adjustment, **23/16**
 - transfer pricing, **23/13**
 - Advance Pricing Arrangements (APA), **23/41**
 - BEPS project consequences, **23/54**
 - case studies and solutions, **23/57**
 - choice of a method and a tested party, **23/50**
 - defensive provisions, **1/34**
 - functional analysis, **23/45**
 - gathering information, **23/43**
 - assets, activities, and risks, **23/44**
 - Form T106 Information Return, **23/8**, **23/43**
 - industry analyses, **23/44**
 - organizational structure, **23/43**
 - public and private information, **23/43**
 - search for comparable transactions, **23/48**
 - arbitration board (Canada/U.S.), **23/27**
 - competent authority services, **23/25**
 - contemporaneous documentation, **23/29**
 - assumptions, strategies, and policies, **23/36**
 - data and methods, **23/33**

- functions performed, **23/33**
 - identity of participants, **23/33**
 - property or services, **23/30**
 - terms and conditions of transaction, **23/31**
 - country-by-country report, **23/28**
 - filing obligations, **23/28**
 - production time limit, **23/29**
 - foreign-based information or document, **23/10**
 - Form T106, **23/8, 23/43**
 - failure to file penalty, **23/9**
 - failure to provide information on form, **23/9**
 - false statement or omission, **23/10**
 - late filing penalty, **23/9**
 - intangible property, **23/37**
 - long-term contracts, **23/40**
 - offences and punishment, **23/11**
 - Pacific Association of Tax Administrators (PATA), **23/41**
 - penalties, **23/9, 23/22**
 - qualifying cost contribution arrangement (QCCA), **23/39, 23/41**
 - update of, **23/40**
 - reasonable efforts, **23/20**
 - meaning, **23/21**
 - timing, **23/20**
 - reassessment period, **23/12**
 - recurrent transactions, **23/40**
- Transfer pricing – OECD Guidelines**
- see also *Transfer pricing – Canadian rules*
 - 2015 Actions 8–10 Final Reports*, **22/16-24, 24/5, 24/12, 24/22, 24/39, 24/41, 24/51**
 - accounting profit/economic profit, **24/15**
 - adjustments, **22/54**
 - arbitrariness and special conditions, **22/8**
 - arm’s length principle, **22/11, 22/16**
 - associated enterprises, **22/13**
 - BEPS project, **2/30, 22/28**
 - comparability, **22/22, 22/32**
 - cost contribution arrangement (CCA), **24/36**
 - COVID-19, **22/57**
 - new chapter VIII, **24/36**
 - applying arm’s length principle, **24/38**
 - CCA defined, **24/37**
 - entry, withdrawal, or termination, **24/50**
 - introduction, **24/36**
 - structuring and documenting, **24/50**
 - definition of, **22/7**
 - definitions
 - corresponding adjustment, **22/12, 22/56**
 - mutual agreement procedure, **22/56**
 - primary adjustment, **22/54, 22/56**
 - secondary adjustment, **22/55, 22/56**

- secondary transaction, **22/55**, **22/56**
- unique and valuable contributions, **22/56**
- documentation, **2/46**, **22/24**
- comparable prices, **22/32**
 - distribution enterprises, **22/32**
 - manufacturing enterprises, **22/34**
 - transaction-by-transaction, **22/30**
- cross-border commodity transactions, **22/23**
 - economic analysis, **22/26**
 - tested price, **22/25**
- effect of OECD Guidelines, **24/8**
- impact of BEPS Project, **22/28**
- methods, **22/35**
 - comparable profit method (CPM), **22/50**
 - hierarchy of (prior to July 2010), **22/49**
- high-risk transaction, **2/36**
- intangibles, **2/32**, **24/5**, **24/6**, **24/13**, **24/25**, **24/27**
- new chapter VI, **24/17**
 - actual (*ex post*) remuneration, **24/24**
 - guidance to determine arm's length conditions, **24/20**, **24/27**
 - link between ownership and residual net margin, **24/18**
 - linking other factors to *ex ante* remuneration, **24/18**
 - remuneration *ex ante* for certain risks, **24/23**
 - remuneration *ex ante* for contribution to creation of intangible, **24/20**
 - remuneration *ex ante* for functions with special significance, **24/21**
 - remuneration *ex ante* for use of assets, **24/22**
 - transactions involving intangibles, **24/25**
- low value adding intra-group services, **24/32**
- new chapter VII, **24/32**
 - determination and evaluation of services, **24/33**
 - levying of withholding tax on charges, **24/36**
 - low value-adding intra-group services defined, **24/34**
 - simplified determination of arm's length charges, **24/35**, **24/36**
- one-sided methods, **22/48**
- post July 2010, **22/50**
- price of pure and perfect competition, **24/14**
- prevention of by governments, **22/10**
- reform uncertainties, **24/50**
- for countries, **24/51**
- for taxpayers, **24/51**
- risks and capital, **2/35**
- role of OECD Guidelines, **22/15**
- separate entity principle, **22/6**
- shifting income, **22/9**
- special conditions and arbitrariness, **22/8**

traditional transaction methods
 – comparable uncontrolled price method (CUP), **22/37**
 – cost plus method, **22/40**
 – resale price method (RPM), **22/38**
 transactional profit methods
 – transactional net margin method (TNMM), **22/41**
 – transactional profit split method, **22/42**
 transaction-by-transaction comparison, **22/30**
 transactions, financial, **22/57**
 transfer price (defined), **1/26**, **22/7**

Transfer pricing – U.S. rules

adjustments, **25/18**
 arm's length range/price, **25/15**, **25/19**
 BEPS project (Action 13), **25/51**
 best method rule, **25/11**
 comparability, **25/11**
 comparable profits method (CPM), **25/22**
 – profit level indicators, **25/23**
 – tested party, **25/23**
 comparable uncontrolled price method (CUP method), **25/19**
 comparable uncontrolled services price method (CUSP method), **25/33**
 cost plus method, **25/21**
 contemporaneous documentation, **25/35**
 controlled services transactions, **25/10**, **25/30**
 country-by-country report, **25/51**

Final regulations adopted (June 2016), **25/51**
 Form 8975, **25/51**
 – information required in Schedule A, **25/52**
 history, **25/5**
 intangible property, **25/10**, **25/27**
 interquartile range, **25/15**
 multiple year data, **25/14**
 overview, **25/9**
 penalties, **25/37**
 profit split method, **25/25**
 – comparable profit split method, **25/25**
 – residual profit split method, **25/26**
 related party transactions (forms), **25/48**
 resale price method (RPM), **25/20**
 tangible property, **25/9**
 tax return forms for related party transactions, **25/48**

Treaty abuse

— see *BEPS project*

Treaty shopping, **1/29**, **11/30**

Trusts (residence of), **8/24**

— U —

United Nations Model Convention, **9/4**, **9/34**

United Nations Model Tax Convention Between Developed and Developing Countries, **4/15**

Upstream loans (Subsection 90(6) to (15))

- back-to-back loans, **20/46**
- deductions, **20/35**
 - calculation of, **20/37**
 - downstream surplus, **20/36**
 - partnerships, **20/45**
 - pre-acquisition surplus, **20/42**
 - subsequent inclusion, **20/44**
- definitions, **20/10**
 - creditor affiliate, **20/11**
 - creditor partnership, **20/11**
 - just across the border, **20/24**
 - net surplus, **20/23**
 - specified amount, **20/31**
 - specified debtor, **20/12**
 - surplus entitlement of a share, **20/25**
 - surplus entitlement percentage, **20/29**
- exceptions, **20/34**
- introduction, **20/5**
- repayment, **20/46**

U.S. Model Convention, 5/10, 9/34, 32/47**U.S. taxation, 32/5**

- changes of citizenship, **32/42**
- crew members temporarily present, **32/16**
- de minimis* presence rule, **32/18**
- electronic filing initiative, **32/23**
- foreign financial institutions obligations, **32/36**
- foreign government-related individuals, **32/12**
- fraud exception, **32/30**

- green card test, **32/7**
- individual taxpayer living abroad, **32/32**
 - foreign back account report (FBAR), **32/33**
 - ownership of “specified foreign financial” asset (FACTA), **32/34**
 - penalties, **32/29**
- issuance of a notice of deficiency, **32/31**
- lawful permanent resident, **32/7**
- medical condition, **32/17**
- non-resident individual
 - first-year election, **32/19**
- non-resident tax liabilities, **32/45**
 - effectively connected income (ECI) with the conduct of a U.S. trade or business, **32/45, 32/46**
 - FDAP income which is not ECI with U.S. trade or business, **32/46, 32/47**
- penalties, **32/37**
 - FACTA, **32/40**
 - FBAR, **32/37**
- professional athletes, **32/15**
- proof of filing, **32/25**
- proper from and filing, **32/28**
- regular commute from Canada or Mexico, **32/15**
- reporting obligations, **32/20**
 - joint returns of income tax, **32/21**
 - records, **32/21**
 - taxpayer required to file, **32/20**
- residency rules, **32/6**
 - tax treaty, **32/44**
- signing returns, **32/22, 32/27**
- SOL on assessment, **32/25, 32/29**

streamlined filing compliance procedure, **32/40**
 students, **32/14**
 substantial presence test, **32/8**
 – closer connection exception, **32/10**
 – days of presence in the U.S., **32/11**
 – exempt individuals, **32/12**
 Taxpayer Assistant Orders (TAO), **32/31**
 teachers, **32/13**
 trainees, **32/13**
 transit between two foreign points, **32/16**
 U.S. person, **32/6**
 – individual, **32/6**
 • individual living abroad, **32/32**
 – verifying returns, **32/22**
 when to file, **32/23**

— V —

Vidal, Jean-Pierre, **1/1, 1/12, 2/1, 2/5, 2/6, 2/7, 2/21, 2/30, 2/34, 2/46, 2/56, 2/65, 8/1, 10/1, 16/1, 16/10, 17/1, 18/1, 20/1, 22/1, 22/77, 23/1, 23/57, 24/1**

Vienna Convention on the Law of Treaties, **5/4, 5/6**

Vincent, François, **23/10, 23/24**

— W —

Wang, Jing Yu, **14/1**

Whole dividend, **17/14**

Wilkie, J. Scott, **1/16**

Withholding tax (Part XIII), **1/4, 10/6, 10/35, 11/5, 27/28**
 anti-avoidance mechanism, **11/31**
 authorized foreign bank, **11/14**
 Canadian benefits received, **11/27**
 compliance, **11/15**
 dividends, **11/17**
 every person paying to a non-resident person, **10/37**
 exclusions, **11/22**
 interaction with Part I tax, **11/17**
 interest, **11/16, 11/18**
 liability to tax, **11/8**
 management fee, **10/36, 11/24**
 multiple payments, **10/41**
 multiple services, **10/39**
 non-resident person (defined), **11/8**
 partnership applications, **11/10**
 payment of, **11/15**
 – compliance, **11/15**
 – penalties, **11/16**
 – principal purpose test, **11/35**
 – responsibility to withhold, **11/15**
 permanent establishment, **11/13**
 Regulation 105 withholding, overview of, **10/36**
 rents and royalties, **11/20, 11/21, 11/23, 11/25**
 section 216 election, rents and timber royalties, **11/25**
 section 217 election, “Canadian benefits”, **11/27**
 services rendered in Canada, **10/39**

taxable Canadian property
(TCP) acquisition, **10/42**
tax treaties, impact of, **11/7**
tax treaties, impact on, **11/12,**
11/25
– treaty shopping, **11/30**
wages, **10/35**

Numerical

90-day rule, 17/13, 17/43
183-day test, 27/18

– Y –

Yeung, Jayme, 11/1, 13/1