The Taxation of Corporate Reorganizations

Co-Editors: Andrew W. Dunn,* Derek G. Alty,* Brian R. Carr,** and Christopher J. Steeves**

The Canadian Tax Foundation is pleased to welcome The Taxation of Corporate Reorganizations back to the fold of practitioner-oriented features in the journal. Andrew W. Dunn, CA, CMA, Derek G. Alty, LLB, CA, Brian R. Carr, LLB, and Christopher J. Steeves, LLB will serve as co-editors of the feature. Messrs. Dunn and Alty are international tax partners in the Toronto office of Deloitte & Touche LLP, and Messrs. Carr and Steeves are tax partners in the Toronto office of Fraser Milner Casgrain LLP. The co-editors plan to again offer journal readers systematic and step-by-step analysis of the complex provisions that are frequently encountered in corporate reorganizations.

Andrew Dunn and Derek Alty are tax specialists with many years of experience in corporate structuring and financing techniques, cross-border and international issues, mergers and acquisitions, and the design of business expansions across the Canadian border, both inbound and outbound. Both have written extensively on tax matters and have taught tax courses for several years.

Brian Carr, who has written widely in many areas of taxation, is a tax specialist with longstanding experience in corporate reorganizations; oil, gas, and mining taxation; tax litigation and workouts; and public acquisitions and divestitures. Chris Steeves focuses his tax practice on corporate restructurings and acquisitions involving Canadian businesses, domestic and international financings, securities issuances, and investment funds. He is a frequent contributor to the current tax literature.

REORGANIZATIONS OF INVESTMENT FUNDS

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There are a number of statutory provisions that allow for reorganizations of corporations and partnerships on a tax-deferred basis. In 1994, the

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Department of Finance introduced legislation to permit tax-deferred reorganizations of trusts in limited circumstances. The new rules allowed mutual fund trusts to merge and mutual fund corporations to convert mutual fund trusts on a tax-deferred basis. These new rules were principally intended to facilitate fund mergers following a takeover of a fund manager. This article discusses the tax implications of these tax-deferred reorganizations and alternatives to a tax-deferred reorganization. **Keywords:** Corporate reorganizations; mergers; mutual funds; trusts.