
REASONABLENESS: PROCEED AT YOUR PERIL

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What is Reasonable?

- 1) Discussion on reasonable and the Income Tax Act
- 2) Discussion on reasonable and REOP – how does REOP (ITA 9(2)) related to ITA 18(1)(a) and ITA 67
- 3) Reasonable versus minimum or maximum discussion (attribution rules and reasonable rules)
- 4) Reference to court case ENMAX Energy, 2018 ABCA 147 and some commentary thereon as transition piece
- 5) Overview of valuation principles as they relate to debt and equity instruments:
 - a. Theory behind interest rate determination and types of debt and security
 - b. Decision tree / chart with respect to factors and ranges
 - c. Examples: scenarios to provide context to apply the above
 - d. Apply the above to preferred shares and dividend rate determination
 - e. General comments on common share payments
- 6) Conclusion