
CORPORATE TAX PLANNING

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RECENT LEGISLATION AFFECTING PARTNERSHIPS AND FOREIGN AFFILIATES— SUBSECTION 88(1) AND SECTION 100

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Recent amendments to the Income Tax Act (Canada) affect the availability of the bump applicable to shares of foreign affiliates and interests in partnerships, as well as the determination of the taxable capital gain in respect of dispositions of interests in partnerships to certain persons and partnerships. This article reviews in detail the amendments in subsection 88(1) and section 100. The author provides an overview of the legislation; describes the application of the rules, using examples; and considers how the subsection 88(1) bump rules could interact with the section 100 amendments.

KEYWORDS: ANTI-AVOIDANCE RULES ■ BUMP ■ FOREIGN AFFILIATES ■ PARTNERSHIPS ■ WINDUPS ■ CAPITAL GAINS

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***** Of Fasken Martineau DuMoulin LLP, Toronto. I would like to thank Bill Bies, Ron Nobrega, and Christopher Steeves of Fasken Martineau DuMoulin LLP, Toronto, for their valuable comments on earlier drafts of this article. Any errors are my own.