

Partner
or sole
proprietor.

15. The income of a partner or of an individual who is a proprietor of a business from the partnership or business for a fiscal period that ended in a taxation year shall be deemed to be his income from the partnership or business for the taxation year.

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Indirect
payments.

16. (1) For the purpose of computing the income of a taxpayer, a payment or transfer of money, rights or things made pursuant to the direction of, or with the concurrence of, the taxpayer to some other person for the benefit of the taxpayer or as a benefit that the taxpayer desires to have conferred on the other person shall be deemed to be a payment or transfer to the taxpayer. 10

Undistrib-
uted
revenue.

(2) For the purpose of computing the income of a taxpayer, a payment or transfer in a taxation year of money, rights or things made to the taxpayer or some other person for the benefit of the taxpayer and other persons jointly or a profit or gain made by the taxpayer and other persons jointly in a taxation year shall be deemed to have been received by the taxpayer in the year to the extent of his interest therein notwithstanding that it was not divided or distributed in that year. 15 20

Inadequate
considera-
tions.

17. (1) Where a corporation, partnership or individual carrying on business in Canada has purchased anything from a parent, subsidiary or associated corporation or partnership at a price in excess of the fair market value, the purchase shall, for the purpose of computing the income from the business, be deemed to have been made at the fair market value. 25

(2) Where a corporation, partnership or individual carrying on business in Canada has sold anything to a parent, subsidiary or associated corporation or partnership at a price less than the fair market value, the sale shall, for the purpose of computing the income from the business, be deemed to have been made at the fair market value. 30

(3) Where a person carrying on business in Canada has paid to a non-resident person as price, rental, royalty or other payment for the use or a reproduction of any property an amount computed at a rate higher than that at which similar payments made by other persons in the same kind of business are computed, the amount paid shall, for the purpose of computing the income from the business, be deemed to have been an amount computed at the rate at which similar payments are made by other persons in the same kind of business unless the payer establishes that the payer and the recipient are not associated, controlled one by the other or controlled by the same person. 35 40 45