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year-end reconciliation is made under paragraph 18(1)(c).

Point 8. Value for "B" in the Formula Set Out in Paragraph 18(1)(c) and 18(2)(a) and (b).

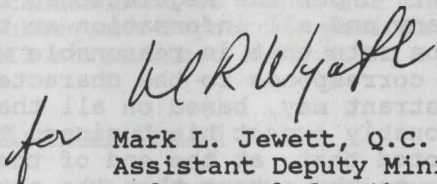
There is no intended difference in meaning between the definition of element "B" in these formulae. The only difference in wording is the omission of the words "is or" from the definition of "B" in paragraph 18(1)(c). These words are not critical to the interpretation of the definition. If the amount determined by the formula were in fact nil, it would be correct to refer in that definition to the amount that "is" the net tax of the registrant. However, it does not change the meaning if, as is done in paragraph 18(1)(c), the reference is only to the amount that "would be the net tax ...if the amount determined in accordance with this formula were nil". To that effect, the words "is or" in paragraphs 18(2)(a) and (b) will be deleted for consistency.

Point 9. Section 22, English Version

We agree that the words "subject to the Act" in this section are unnecessary and could be struck out whenever the Regulations are next opened for substantive amendments.

I trust that this information answers your questions.

Yours sincerely,

for 
Mark L. Jewett, Q.C.
Assistant Deputy Minister
and Counsel for the
Department of Finance