

The Budget—Resolutions

circumstances, or to which a vote is attached only in the event that any dividend described in subparagraph (i) is in arrears for a period of not less than two years; and

- (e) "stock exchange" means
- (i) the Canadian Stock Exchange,
 - (ii) the Montreal Stock Exchange,
 - (iii) the Toronto Stock Exchange,
 - (iv) the Winnipeg Stock Exchange,
 - (v) the Calgary Stock Exchange, and
 - (vi) the Vancouver Stock Exchange;

and such other stock exchange or exchanges in Canada as may from time to time be designated by the governor in council for the purposes of this part.

(2) For the purposes of this part, the votes attaching to any share of a corporation are the votes that under any voting rights annexed to that share may, either upon the happening of a particular event or otherwise, be exercised by the owner thereof.

(3) A reference in this part to a person resident in Canada includes a person who was at the relevant time ordinarily resident in Canada, and in determining the residence of a person for the purposes of this part the provisions of the Income Tax Act applicable to any such determination for the purposes of that act apply *mutatis mutandis*.

12. (1) There shall be imposed, levied and collected a securities sales tax of 30 per cent on the sale price of all shares of a designated corporation sold by a resident vendor to a person other than an eligible purchaser, payable by the vendor within 30 days of such sale.

(2) No tax is payable under this part in respect of shares of a designated corporation sold by a resident vendor to a person other than an eligible purchaser through a stock exchange in any day where the total sale price of all shares of that corporation so sold by the vendor to all persons in that day does not exceed \$50,000.

13. The issue by a designated corporation to any person of any shares of that corporation pursuant to a warrant, option, right or conversion privilege entitling the owner or holder thereof to purchase or otherwise acquire those shares shall, except where the warrant, option, right or conversion privilege was outstanding on or before the 13th day of June, 1963, be deemed for the purposes of this part to be a sale by the corporation to that person of those shares, and in relation thereto the sale price of those shares shall be deemed to be the consideration paid or agreed to be paid for those shares plus the fair market value, immediately before the issue of the shares, of the warrant, option or right, or of the security carrying the conversion privilege, pursuant to which the shares were issued.

[Mr. Gordon.]

14. A sale by a designated corporation to any person of all or substantially all of the property used by the corporation in carrying on its business in Canada shall, for the purposes of this part, be deemed to be a sale by the corporation to that person of shares of the corporation, and in relation to such shares the sale price thereof shall be deemed to be

(a) the consideration paid or agreed to be paid for the property so sold, in any case where that property was sold to a person with whom the corporation was dealing at arm's length; and

(b) the fair market value of the property so sold, in any other case.

15. Where, by reason of the reorganization of, or the merger or amalgamation with another corporation of, a designated corporation (which reorganization, merger or amalgamation is hereinafter referred to as a "substitution" and which designated corporation is hereinafter referred to as the "old corporation"),

(a) the total number of votes attaching immediately before the substitution to all shares of the old corporation owned by individuals or corporations described in any of subparagraphs (i) to (iv) of paragraph (b) of subsection (1) of section 11 (which individuals or corporations are hereinafter referred to as "eligible shareholders"), expressed as a percentage of the total number of votes attaching at that time to all of the shares of the old corporation, is greater than

(b) the total number of votes attaching immediately after the substitution to all shares of the reorganized corporation or of any corporation formed as a result of the merger or amalgamation (which reorganized corporation or corporation so formed is hereinafter referred to as the "new corporation") owned by eligible shareholders, expressed as a percentage of the total number of votes attaching at that time to all of the shares of the new corporation,

the substitution shall, for the purposes of this part, be deemed to be a sale to the new corporation of the shares of the old corporation by each of the persons who immediately before the substitution owned any shares thereof, and in relation to the shares thereof owned by any such person at that time, the sale price of those shares shall be deemed to be the fair market value at that time of shares of the old corporation, equal in number to

(c) the number of shares of the old corporation owned at that time by such person, multiplied by

(d) the quotient obtained by dividing