

*Foreign Exchange Control*

I have just one other thing to say. In looking over *Hansard* of yesterday and the replies which I gave to some hon. members in connection with the change of residential status to the United States, I am afraid that, contrary to my usual practice, I was not quite as clear as I might have been. With the permission of the house I should like to place on *Hansard*, for the information of hon. members an official circular of the foreign exchange control board which outlines the full requirements with respect to change of residential status:

Foreign Exchange Control Board  
Ottawa

January 10, 1949

## Change of Residential Status

## Definition of resident.

1. Under the Foreign Exchange Control Act any person who was or is ordinarily resident in Canada on or after September 15, 1939, is deemed to be a "resident" for the purposes of transactions to which the act applies, unless the foreign exchange control board determines that he is a "nonresident".

## Application for change of residential status.

2. A resident individual desiring that the board determine him to be a nonresident is required to apply to the board through his bank on form 107—application for change of status from resident to nonresident for foreign exchange control purposes.

## When application approved.

3. The present policy administered by the board is, upon application, to designate as a nonresident an individual who is making a bona fide change of permanent residence from Canada to another country and has obtained any necessary permission from the country concerned to take up permanent residence there. Authority to transfer his funds and other assets from Canada is then granted as outlined below.

## Transfer of assets to United States dollar area countries.

4. (a) Where the total assets of an emigrant to a United States dollar area country do not exceed \$5,000 he may transfer the total amount from Canada in the form of Canadian dollar bank drafts or cheques which he is free to negotiate in the United States at the rate of exchange prevailing there.

(b) Where such an emigrant's total assets exceed \$5,000, the transfer is permitted in the manner described in (a) up to 50 per cent of the total, with a minimum limit of \$5,000 and a maximum limit of \$12,500, during the first year after leaving Canada. Assets which are not authorized for transfer during this period continue to be regarded as those of a Canadian resident and the board may require that they be placed under the control of a resident agent or trustee. At the end of one year from his departure from Canada and at annual intervals thereafter, the owner may apply to the board for authority to make additional transfers from Canada from these resident assets. Subject to changes in policy in the meantime, such applications are normally approved for the same amount and in the same manner as on the original change of status application.

(c) A United States citizen resident in Canada desiring to return to the United States to live is normally authorized to transfer all of his assets to the United States at the time of departure provided that the excess over the amount authorized for transfer in Canadian dollars under (b) above is invested in Canadian domestic securities having a term of

maturity or earliest call date of not less than three years and the transfer of the excess if made in that form.

(d) Assets authorized for transfer on approval of a change of status application may be retained in Canada and income from them may be transferred at the official rate of exchange. Any subsequent disposal of the assets in Canada is subject to the prevailing rules governing nonresident-owned assets, e.g., a nonresident may ordinarily sell securities in Canada only where the proceeds are being immediately reinvested in other similar Canadian securities.

(e) In addition to assets which may be transferred in accordance with the preceding paragraphs, the export of normal household and personal effects is permitted.

To sterling area and special arrangement countries.

5. An emigrant to a sterling area or special arrangement country is ordinarily authorized to transfer all of his assets to such a country at the time of his departure in the form of a Canadian dollar bank draft or cheque or in Canadian securities. These countries include the United Kingdom, the British commonwealth and empire, France, Belgium, Netherlands and Norway.

## In-transit traveling expenses.

6. At the time of departure an emigrant to whom change of status has been granted is authorized to obtain up to \$150 (with a maximum of \$400 per family) in foreign exchange at the official rate in Canada to meet in-transit expenses. In addition, he may buy his transportation in Canada with Canadian dollars.

**Mr. Speaker:** Is the house ready for the question?

The house divided on the motion (Mr. Abbott) which was agreed to on the following division:

## YEAS

## Messrs:

Abbott	Cloutier
Archibald	Coldwell
Argue	Coté (Matapedia- Matane)
Arsenault	Coté (Verdun)
Baker	Cournoyer
Beaudoin	Croll
Belzile	Cruickshank
Benidickson	Dechene
Bentley	Dickey
Bertrand (Laurier)	Dion (Lake St. John- Roberval)
Bertrand (Prescott)	Dionne (Beauce)
Black (Chateauguay- Huntingdon)	Douglas
Blackmore	Emmerson
Blanchette	Eudes
Boivin	Fair
Bonnier	Fontaine
Boucher	Fournier (Hull)
Bourget	Fournier (Maison- neuve-Rosemont)
Bowerman	Gardiner
Bradette	Gariépy
Breithaupt	Garson
Brown	Gauthier (Nipissing)
Brunelle	Gauthier (Portneuf)
Bryce	Gibson (Comox- Alberni)
Burton	Gibson (Hamilton West)
Campbell	Gillis
Caouette	Gingoes
Castleden	
Chevrier	
Clark	
Claxton	

[Mr. Abbott.]