

WOOD GUNDY

# YOUR T5008 / RELEVÉ 18 STATEMENT OF SECURITIES TRANSACTIONS

If you had any disposition transactions during the year, your tax package includes a T5008/Relevé 18, Statement of Securities Transactions, which reports details of security positions that were sold, redeemed or matured during the 2023 tax year. The T5008/Relevé 18 may be of assistance when calculating Capital Gains / Losses for tax purposes. For your convenience, the T5008/Relevé 18 now includes the cost or book value for the security in Box 20.

Special note regarding Box 20: The cost or book value amount included in Box 20 on the T5008/RL-18 reflects the information currently available on our system, however you may need to make additional adjustments in computing the adjusted cost base (ACB) when you determine and report your gain or loss for tax purposes. If you use electronic slips from your online Canada Revenue Agency/Revenue Québec account, you may need to manually adjust the ACB in the applicable tax return schedule.

Consideration should be given to circumstances that, if applicable to you, may affect the ACB of a security as determined under detailed rules in the Income Tax Act (Canada). Although not an exhaustive list, the following are some examples of scenarios where Box 20 on the T5008/RL-18 may not accurately report the ACB:

- Where you hold the same securities in more than one non-registered account.
- Where you hold Canadian Depositary Receipts (CDRs) and shares of the same class of the underlying issuer.
- Where you have transferred securities into your account but have not previously provided us with the correct cost of each security.
- Where you have previously realized losses that were subject to the superficial loss rules.
- Where you have filed any special tax elections, undertaken certain “rollover” transactions (including spousal or estate/trust rollovers) or were subject to certain “deemed disposition” rules in respect of the security.
- Certain corporate reorganizations, mergers, spin-offs etc. may have been reported as taxable dispositions/distributions but may have qualified for a deferral of tax consequences (rollover) if you and/or the companies involved filed the appropriate tax elections.
- Where you have disposed of units of an income trust, REIT, ETF, mutual fund, limited partnership the reported book value has been adjusted to reflect the applicable portion of any Return of Capital (“ROC”) and phantom (non-cash) distributions received and reported during 2023; however:
  - ROC amounts and phantom distributions for 2022 may not be confirmed until May 2024, after the date that 2023 dispositions are reported to you. The updated information will be included in your T3 slip in March 2024.
  - If you held trust, ETF or limited partnership units prior to 2015, the security’s book value may not reflect ROC distributions and/or phantom (reinvested) distributions received and reported prior to such time.
- The unique tax treatment of limited partnership investments prevents the accurate reporting of book values for limited partnership units. Consequently, the book value in Box 20 will appear as “N/A”. Please refer to your T5013 slip and the CRA website for additional guidance in computing the tax cost (ACB) of a limited partnership interest.<sup>i</sup>

If box 20 is zero or N/A, we may not have sufficient information to report a book value.

**Special notes regarding certain securities transactions:**

- a) Elective “Rollover” transactions: T5008 reporting may not reflect special tax elections that you may be able to make in connection with certain reorganization transactions. For example, if you are filing a section 85 election in connection with a reorganization, you will need to adjust the amounts reported on your tax return to reflect the elected amount(s).
- b) Discounted Debt Instruments: Your account may hold securities (such as T-bills, strip bonds or other discounted debt instruments) for which you must report some or all of the difference between the redemption value and your purchase cost as interest income, to the extent it was not accrued in prior years. The calculation of interest income and any gain or loss on the disposition of these securities will require a manual calculation. Please refer to the CRA website for additional guidance.<sup>ii</sup>
- c) Expired (Long) Options: Please note that the CRA does not require the expiry of a (long) call option or put option to be reported on a T5008/RL-18 slip. The tax consequences of an options transaction will vary depending on the specific circumstances of the particular transaction.
- d) Options writing transactions (i.e. selling a put or call option): T5008 reporting occurs in the year that an option is written. The proceeds of sale will be included in Box 21, however the book value in Box 20 will appear as “N/A”, irrespective of whether the option has been exercised, expired or was closed out. You may need to adjust your tax reporting if/when the option is exercised or closed out.
- e) Short Sale transactions: Short sales are required to be reported on a T5008/RL-18 slip, however, since no net amount is required to be included in the income of the borrower at the time the short sale is entered into, Box 20 and Box 21 will generally be equal. For tax reporting purposes, any gain or loss is realized when the borrower subsequently purchases the shares and returns them to the lender. You will need adjust your tax reporting to report any gain/loss when the short sale is closed out.
- f) Canadian Depositary Receipts (CDRs): Please note that CDRs and shares of the same class of the underlying issuer are considered "identical property" for tax purposes. The ACB of both the CDRs and the underlying shares must be determined in accordance with the averaging rules in the Income Tax Act (Canada). If you held both CDRs and shares of the same class of the underlying issuer at any time, you will need to make additional adjustments to the cost or book value amount included in Box 20, in accordance with these averaging rules.

**Please consult your tax advisor for assistance in computing the ACB of your investments when determining capital gains/ losses for tax purposes.**

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<sup>i</sup> See “calculating the ACB of a partnership interest” in CRA’s Guide for the Partnership Information Return: <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4068/guide-partnership-information-return-t5013-forms-2016.html>

<sup>ii</sup> <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/personal-income/line-127-capital-gains/completing-schedule-3/bonds-debentures-promissory-notes-other-similar-properties/treasury-bills-bills-stripped-bonds.html>