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Regulations Amending the Income Tax Regulations (COVID-19 — Eligible Entities): SOR/2020-107

Canada Gazette, Part II, Volume 154, Number 11

Registration

SOR/2020-107 May 14, 2020

INCOME TAX ACT

P.C. 2020-331 May 13, 2020

Her Excellency the Governor General in Council, on the recommendation of the Minister of Finance, pursuant to section 221 ^a of the *Income Tax Act* ^b, makes the annexed *Regulations Amending the Income Tax Regulations (COVID-19 — Eligible Entities)*.

Regulations Amending the Income Tax Regulations (COVID-19 — Eligible Entities)

Amendment

1 The *Income Tax Regulations* ¹ are amended by adding the following after Part LXXXIX:

PART LXXXIX.1

Eligible Entities Prescribed for COVID-19 Wage Subsidy

8901.1 For the purposes of paragraph (f) of the definition *eligible entity* in subsection 125.7(1) of the Act, the following entities are prescribed:

(a) a corporation that meets the following conditions:

(i) it is described in paragraph 149(1)(d.5) of the Act,

(ii) not less than 90% of the shares, or the capital, of the corporation are owned by one or more *Aboriginal governments* (as defined in subsection 241(10) of the Act) — or

similar Indigenous governing bodies — described in paragraph 149(1)(c) of the Act, and

(iii) it carries on a business;

(b) a corporation that meets the following conditions:

(i) it is described in paragraph 149(1)(d.6) of the Act,

(ii) all of the shares (except directors' qualifying shares), or the capital, of the corporation are owned by one or more of

(A) an *Aboriginal government* (as defined in subsection 241(10) of the Act) — or a similar Indigenous governing body — described in paragraph 149(1)(c) of the Act, or

(B) a corporation described in this paragraph or paragraph (a), and

(iii) it carries on a business;

(c) a partnership, each member of which is

(i) an eligible entity, or

(ii) an *Aboriginal government* (as defined in subsection 241(10) of the Act) — or a similar Indigenous governing body — described in paragraph 149(1)(c) of the Act;

(d) a partnership, in respect of a qualifying period, if throughout the qualifying period it is the case that

$$A \leq 0.5B$$

where

A is the total of all amounts, each of which is the fair market value of an interest in the partnership held — directly or indirectly, through one or more partnerships — by a person or partnership other than an eligible entity, and

B is the total fair market value of all interests in the partnership;

(e) a person described in paragraph 149(1)(g) or (h) of the Act; and

(f) a person or partnership that operates a private school or private college.

Coming into Force

2 These Regulations are deemed to have come into force on April 11, 2020.

N.B. The Regulatory Impact Analysis Statement for these Regulations appears following SOR/2020-106, *Regulations Amending the Income Tax Regulations (COVID-19 — Deemed Remittance)* (*sor-dors106-eng.html*).

Footnotes

a S.C. 2018, c. 12, s. 32

b R.S., c. 1 (5th Supp.)

1 C.R.C., c. 945
