Section 85 Rollover Checklist

Ten checks before you file Form T2057

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Work through these ten before your consultation. Items one to four decide whether a rollover exists at all. The rest decide whether it survives a CRA review.

- [ ] 1 **Property is eligible**
  Capital, depreciable or resource property.
- [ ] 2 **Transferee qualifies**
  A taxable Canadian corporation.
- [ ] 3 **Shares issued**
  At least one per transferor, s.85(1)(e).
- [ ] 4 **Elected amount set**
  At or above ACB/UCC, no higher than FMV.
- [ ] 5 **Valuations documented**
  Written support for fair market value.
- [ ] 6 **Boot within the limit**
  FMV less the elected amount, at most.
- [ ] 7 **Paid-up capital tracked**
  Consistent with s.85(2.1).
- [ ] 8 **Resolutions drafted**
  Directors approving assets and shares.
- [ ] 9 **Other elections checked**
  Section 22 receivables, GST/HST s.167.
- [ ] 10 **Form T2057 signed**
  Every party, before the earliest deadline.

PRO TIP

Get the valuation in writing before the transfer, not after.
A number produced afterwards carries far less weight with the CRA than one produced at the time.

What happens next

1. Assets reviewed
2. Fixed fee quoted
3. Election filed

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